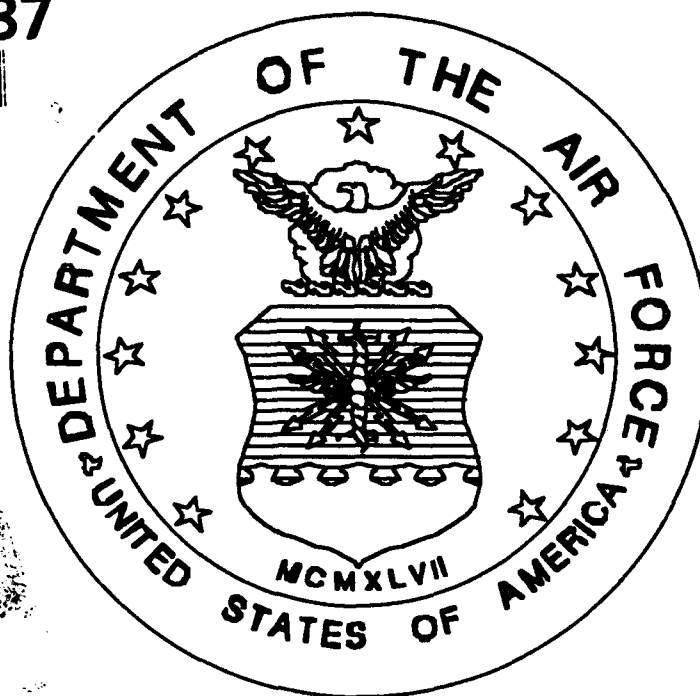


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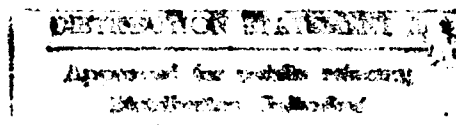
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**DEFENSE BUSINESS
OPERATIONS FUND
FY 1995 BUDGET ESTIMATES
U.S. AIR FORCE OVERVIEW
OPERATING/CAPITAL BUDGET**

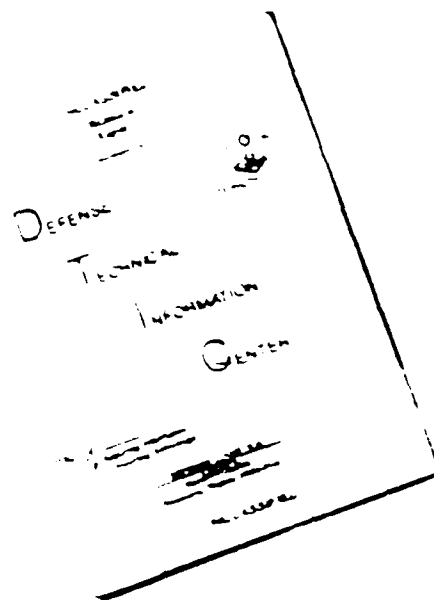


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DEFENSE BUSINESS OPERATIONS FUND

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Defense Business Operations Fund

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**DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE**

AIR FORCE SUMMARY

The Air Force began operations under the Defense Business Operations Fund (the Fund) on 1 October 1991. The existing Air Force stock and industrial funds were transitioned into activities called business areas. The Air Force business areas currently include Supply Management, Depot Maintenance, Transportation, and the Laundry & Dry Cleaning portion of the Base Support Business Area.

The primary objective of the Fund is to allocate support costs using business accounting techniques to provide Air Force managers, at all levels, many of the management tools available to the private sector. The improved identification of the cost of doing business to management is expected to improve the efficiency of operations.

One of the basic principles of the Fund is to capture all the costs associated with operating a business area and reflect the total costs of doing business in stabilized prices charged to customers. Rates are fixed throughout the year to protect customers from unforeseen inflationary pressures and other cost uncertainties. To reflect total cost of goods and services provided by the business areas in the Fund, all the costs of operation and maintenance, military personnel, facility maintenance charges, depreciation of capital assets, and all general and administrative costs associated with the business area are identified and included in the individual business area's expense base. The detailed identification of all costs is aimed at providing visibility to both the support and mission managers of the true cost of implications of management decisions they make on a day-to-day basis.

The Air Force portion of the Fund continues to evolve as the Fund matures. Beginning in FY95, DBOF-Air Mobility Command (DBOF-AMC) and the Laundry and Dry Cleaning portion of the Base Support Business Area will be removed from the Fund. These decisions were made because these activities did not meet the criteria established by the DBOF Improvement Plan for a DBOF activity.

DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE

In addition to the changes identified, the Air Force continues to evolve as restructure and downsizing continues. During this period of change and uncertainty, it is critical that the principles of the Fund are fully grasped and used at all management levels. With the current environment in which we operate, the evolution and maturation of the fund is essential as the commanders must have the trained personnel and knowledge of total resources to ensure total mission accomplishment.

These rapid changes coupled with limited and reduced resources, emphasize the need for more effective and efficient management tools to make timely, accurate decisions. The decisions made during this period of substantial change will have far-reaching impact on Air Force operations in the future.

**DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE**

**AIR FORCE SUMMARY
REVENUE AND EXPENSES
(Dollars in Millions)**

	FY 1993	FY 1994	FY 1995
	-----	-----	-----
Revenue:			
Net Sales:			
Operations	15,254.6	16,663.4	14,071.1
Capital Surcharge	0.0		118.9
Depreciation except Maj Cons	249.5	281.1	121.6
Major Construction Depre	56.0	105.3	0.0
Total Net Sales	15,560.1	17,049.8	14,311.6
Other Income	0.0	0.0	0.0
Total Income	15,560.1	17,049.8	14,311.6
Expenses:			
Cost of Materiel Sold from Inv	7,655.5	8,767.6	9,070.5
Negotiated Purchases from Cust	0.0	0.0	0.0
Transportation	114.2	111.9	91.8
Salaries and Wages:			
Military Personnel	1,229.3	1,105.4	16.9
Civilian Personnel	2,138.5	2,046.9	1,427.9
Materials, Supplies and			
Parts used in Operations	1,296.0	2,149.1	1,741.7
Facility Repair Charge	31.6	43.4	41.2
Depreciation - Capital	282.6	347.4	121.6
Contracted Engineering Service	14.7	13.8	5.1
Lease Costs	4.0	5.1	3.5
Purchased Utilities	109.1	133.2	52.7
Purchased Communications	12.4	19.8	3.2
Equipment Maintenance	88.9	97.5	76.0
Fuel	28.1	144.1	16.4
Other Expenses	2,032.3	2,089.0	1,473.4
Total Expenses	15,037.2	17,074.2	14,141.9
Work in Process Adjusted	(226.6)	(35.4)	79.9
Comp Work for Activity Ret Adj	0.0	0.0	0.0
Cost of Goods Sold	15,263.8	17,109.6	14,062.0
Operating Result	296.3	(59.8)	249.6
Less Capital Surchg Reservatio	0.0	0.0	118.9
Plus Appns Affecting NOR/AOR	0.0	0.0	0.0
Oth Changes Affecting NOR/AOR	(278.0)	0.0	0.0
Inventory Gains and Losses	0.0	0.0	0.0
Net Operating Result	18.3	(59.8)	130.7
Transfers Not Affecting NOR/AOR	0.0	0.0	0.0
Prior Year and Other Adjustments	(0.3)	0.0	0.0
Other Inventory Adjustments	0.0	0.0	0.0
WRM Appropriations	0.0	11.6	11.6
Net Result	18.0	(48.2)	142.3

**DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE**

**AIR FORCE SUMMARY
SOURCE OF REVENUE
(Dollars in Millions)**

	FY 1993	FY 1994	FY 1995
1. Orders from DoD Components			
Army	72.2	58.6	55.8
Navy	387.9	337.5	329.1
Air Force	9,449.8	10,442.2	7,772.2
Marine Corps	1.0	1.4	0.0
Other	697.5	874.0	678.4
2. Orders from other DBOF Business Areas	4,845.4	4,628.2	4,875.8
3. Total DoD	15,453.8	16,341.9	13,711.4
4. Other Orders:			
Other Federal Agencies	264.5	180.9	149.8
Trust Fund	4.7	4.7	5.4
Non Federal Agencies	640.5	560.8	535.5
5. Total Gross Orders	16,363.6	17,088.4	14,402.1
6. Credits and Allowances:			
Discounts	0.0	0.0	0.0
Price Reductions	0.0	0.0	0.0
7. Change to Backlog	377.3	(349.5)	(286.3)
8. Total Gross Sales	15 986.3	17,437.8	14,688.4

**DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE**

**AIR FORCE SUMMARY
MATERIAL INVENTORY DATA
(Dollars in Millions)
FISCAL YEAR 1993**

	Total	Mobil	---- Peacetime ---- Operating	Other
	-----	-----	-----	-----
Materiel Inventory BOP	40,481.5	4,790.9	16,981.6	18,709.0
BOP Reclassification Changes	(10,536.7)	(197.2)	(4,773.5)	(5,566.0)
Price Changes	5,564.5	570.6	2,286.9	2,706.9
Receipts from Comm Sources	9,790.7	447.9	7,605.6	1,737.3
Neg Purchase from Customers	448.5	0.0	448.5	0.0
Gross Sales	9,886.3	0.0	9,886.3	0.0
Materiel Inventory Adjustments				
CAPITALIZATIONS + OR (-)	2,321.8	303.0	1,110.3	908.5
RETURNS TO SUPPLIERS (-)	(211.1)	(0.1)	(118.5)	(92.5)
TRANSFERS TO PROP. DISP. (-)	(9,186.5)	(32.8)	(0.2)	(9,153.4)
ISSUES/RECEIPTS WITHOUT REIMBURSEMENT + or (-)	5,545.5	1.6	29.5	5,514.4
OTHER (list)	(506.2)	(4,788.6)	4,536.4	(254.0)
TOTAL ADJUSTMENTS	(2,036.4)	(4,516.9)	5,557.5	(3,077.0)
Materiel Inventory EOP	33,825.7	1,095.3	18,220.1	14,510.3
ECONOMIC RETENTION (memo)				10,684.6
POLICY RETENTION (memo)				3,682.6
POTENTIAL EXCESS (memo)				39.1
				104.0
Materiel Inventory on Order				
EOP (memo)	2,881.3	293.7	2,256.8	330.7

**DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE**

**AIR FORCE SUMMARY
MATERIAL INVENTORY DATA
(Dollars in Millions)
FISCAL YEAR 1994**

	Total	Mobil	----- Peacetime ----- Operating	Other
Materiel Inventory BOP	33,825.7	1,095.3	18,220.1	14,510.3
BOP Reclassification Changes	(3,813.4)	(92.2)	(2,023.5)	(1,697.7)
Price Changes	4,258.5	96.0	2,323.7	1,838.7
Receipts from Comm Sources	7,846.6	230.7	7,130.0	485.9
Neg Purchase from Customers	388.1	0.0	388.1	0.0
Gross Sales	10,456.2	0.0	10,456.2	0.0
Materiel Inventory Adjustments				
CAPITALIZATIONS + OR (-)	290.0	(83.8)	139.7	234.2
RETURNS TO SUPPLIERS (-)	(98.8)	(0.1)	(0.1)	(98.5)
TRANSFERS TO PROP. DISP. (-)	(3,321.5)	(17.1)	(0.3)	(3,304.1)
ISSUES/RECEIPTS WITHOUT REIMBURSEMENT + or (-)	4,044.0	1.5	47.1	3,995.4
OTHER (list)	487.1	(282.1)	632.1	137.1
TOTAL ADJUSTMENTS	1,400.8	(381.7)	818.4	964.1
Materiel Inventory EOP	33450.1	948.1	16400.7	16101.3
ECONOMIC RETENTION (memo)				12,218.9
POLICY RETENTION (memo)				3,754.0
POTENTIAL EXCESS (memo)				13.7
OTHER				114.7
Materiel Inventory on Order				
EOP (memo)	3,175.0	170.1	2,522.8	482.1

**DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE**

**AIR FORCE SUMMARY
MATERIAL INVENTORY DATA
(Dollars in Millions)
FISCAL YEAR 1995**

	Total	Mobil	----- Peacetime -- Operating	Other
Materiel Inventory BOP	33,450.1	948.1	16,400.7	16,101.3
BOP Reclassification Changes	1,696.8	44.4	1,111.8	540.6
Price Changes	(632.3)	(9.2)	(341.5)	(281.6)
Receipts from Comm Sources	7,720.9	182.4	7,059.4	479.1
Neg Purchases from Customers	376.6	0.0	376.6	0.0
Gross Sales	10,453.3	0.0	10,453.3	0.0
Materiel Inventory Adjustments				
CAPITALIZATIONS + OR (-)	2,269.9	22.2	1,708.4	539.2
RETURNS TO SUPPLIERS (-)	(106.7)	(1.5)	(0.3)	(105.0)
TRANSFERS TO PROP. DISP. (-)	(2,586.3)	(11.8)	(0.3)	(2,574.1)
ISSUES/RECEIPTS WITHOUT REIMBURSEMENT + or (-)	3,005.3	0.5	50.3	2,954.5
OTHER (list)	538.2	(213.0)	555.1	196.2
TOTAL ADJUSTMENTS	3,120.4	(203.6)	2,313.2	1,010.7
Materiel Inventory EOP	35,279.2	962.2	16,466.9	17,850.1
ECONOMIC RETENTION (memo)				13,597.7
POLICY RETENTION (memo)				4,112.8
POTENTIAL EXCESS (memo)				13.3
OTHER				126.2
Materiel Inventory on Order EOP (memo)	3,374.4	96.2	2,888.3	389.9

DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE

U.S. Air Force/Revolving Fund Total
Capital Budget
(DOLLARS IN MILLIONS)

Item Description	FY 1993	FY 1994	FY 1995
Equipment	47.400	95.939	47.500
Minor Construction	8.900	38.283	5.900
Management Information Systems	0.000	18.768	0.000
CDA	0.000	0.250	0.000
TOTAL	56.300	153.240	53.400

**DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 PRESIDENT'S BUDGET**

SUPPLY MANAGEMENT

FUNCTIONAL DESCRIPTION

The Air Force Supply Management Business Area of the Defense Business Operations Fund (the Fund) is a dynamic businesslike activity which is composed of all the resources and financial operations of the former Air Force Stock Fund with the exception of the Commissary Division. The Air Force Supply Management Business Area composition includes the following seven diverse divisions: Systems Support Division (wholesale - consumables), Reparable Support Division (wholesale - reparable), General Support Division (retail), Fuels Division (retail), Medical-Dental Division (retail), the U.S. Air Force Academy Cadet Division (retail), and the Cost of Operations Division (wholesale - inventory control point operations). The Supply Management Business Area includes the management of approximately two million items, including weapon system spare parts, fuels, medical - dental supplies and equipment, and items used in non-weapon system applications. The Air Force Supply Management Business Area is an equal partner in the support of combat readiness for all its customers by procuring critical materiel and making repair parts available to the appropriate activities. Materiel is procured from vendors and held in inventory for sale to authorized customers. The Cost of Operations Division is the only non-inventory division. It includes the inventory control points which manage and purchase designated national stock numbered items for all Department of Defense authorized customers.

BUDGET HIGHLIGHTS

General

Reparable Support Division's (RSD) FY 1993 sales reflect the first full year of actual physical sales of depot level reparable to all customers. Net sales for FY 1993 totaled some \$3,320.5M in actual execution. This sales data becomes the baseline for future RSD business activity and projections. RSD began purchasing initial spares in FY 1994 and this activity continues in the FY 1995 budget. Net sales are projected to increase by \$65.5M from \$3,581.9M to \$3,647.4M. An increase in sales is expected as the Air Force continues to implement the two-level maintenance concept and with the capitalization of engine modules in FY 1995.

**DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 PRESIDENT'S BUDGET****SUPPLY MANAGEMENT - AIR FORCE**

Systems Support Division (SSD) continues to transfer consumable items to the Defense Logistics Agency (DLA). During FY 1993, over 157,000 items were transferred for management by DLA. The transfer is expected to continue at the rate of 190,000 during FY 1994. This will leave Air Force with 172,000 items to manage. As these items transfer, all aspects of SSD's operations are affected from the number of SSD items managed by the Air Force to the amount of sales SSD can be expected to generate.

General Support Division (GSD), in some ways, is the beneficiary of the transfer of SSD items to DLA. The Air Force still requires these items for operations but they now must be purchased by the customer through GSD since DLA is assuming management responsibility for all the transferred items.

The Fuels Division transferred the ownership of all bulk inventories of aviation fuel to the Defense Fuels Supply Center during FY 1993. All other aspects of the Air Force's role in executing the installation fuel mission remained the same. This transfer resulted in a substantial reduction of the fuel inventory directly managed by the Air Force.

The Cost of Operations Division reflects the support costs of maintaining and operating inventory control points. This activity supports Air Force's wholesale operations which include the System Support and Repairable Support divisions. Since COD has no sales, revenue to support this function is obtained from surcharge collections resulting from the sale of SSD and RSD inventories. The make up of the Cost of Operations Division changes dramatically in FY 1995 as a significant portion will be realigned to better portray pure inventory control point operations, bringing the Air Force logistics overhead more into line with other Components, and reducing the surcharge to SSD and RSD customers.

Customer Prices - Prices for wholesale (consumable and repairable items) division items are determined by adding the overhead expenses to the cost of goods sold. Wholesale activities are required to recapture total costs through rates charged to our various customers.

**DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 PRESIDENT'S BUDGET**

SUPPLY MANAGEMENT

The approved changes to customer prices for wholesale activities are:

	<u>FY 1993</u>	<u>FY 1994</u>	<u>FY 1995</u>
Systems Support	+24.83%	+31.63%	-3.23%
Reparable Support	+ 9.83%	+25.45%	-6.28%
Composite	+20.70%	+26.65%	-9.89%

The Air Force is diligently working to reduce operating costs as well as the prices which are charged to the various customers.

Source of Revenue - Customer orders remain relatively stable over the period. These orders range from \$10.4B in FY 1993 to \$10.3B in FY 1994 to \$10.1B in FY 1995. There is considerable change in the mix of orders as significant sales are moving from SSD to GSD as the Consumable Item Transfer continues in full force. GSD increases in orders by \$575.6M from FY 1993 to FY 1994 while SSD decreases by \$463.6M over the same period. Force structure continues to decline which would tend to drive orders down but other activities such as the capitalization of engine modules in RSD in FY 1995 offsets some of the decrease. A portion of the decline in sales volume is a result of the fuels price decrease in FY 1995.

Material Inventory Data - The value of inventory remains constant between FY 1993 and FY 1994. The revalued inventory increases between FY 1994 and FY 1995 primarily because of the capitalization of engine modules into the Reparable Support Division in FY 1995. However, another serious trend is emerging as to the mix of inventory. The two primary categories of inventory are Peacetime Operating (inventory which is active and used in daily operations) and Peacetime Other (the amount of inventory which exceeds the near term requirement). In FY 1993, Peacetime Operating represented 55.4 percent of the inventory while Peacetime Other represented 44.6 percent of the total inventory. By FY 1994 the percentages have changed to virtually a 50 percent split. As we approach FY 1995, that percentage has evolved to Peacetime Operating representing 47.7 percent of the inventory with Peacetime Other representing 52.3 percent of the inventory. The ratio limits the ability of the fund to replace active inventory, but has no impact on levels or inactive inventory. The trend is likely to continue as long as the obligation to sales ratio is maintained.

**DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE**

Workload and Economic Assumptions - The table below provides workload data and economic assumptions used in the development of this budget estimate. The numbers represent Air Force DBOF totals and averages, but does not represent a particular division.

	(\$000s)		
<u>DESCRIPTION</u>	<u>FY 1993</u>	<u>FY1994</u>	<u>FY1995</u>
ITEMS MANAGED (NUMBER)	2,367,046	2,177,042	2,177,042
REQUISITIONS RECEIVED (DOLLARS)	\$9,380,232	\$9,556,236	\$9,603,059
ISSUES/RECEIPTS (NUMBERS) {From DLA Facilities and Fuels}	12,984,025	12,014,507	12,011,790
PURCHASES INFLATION PERCENTAGE	2.7%	2.5%	2.8%
CIVILIAN END STRENGTH	8,708	8,445	2,763
MILITARY END STRENGTH	548	473	80

**DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 PRESIDENT'S BUDGET****SUPPLY MANAGEMENT**

Changes in Operations - Several operational efficiencies have resulted in cost reductions and increases, which are included in the estimates for expenses, in FY 1994 and FY 1995.

- Materiel replacement rates have been adjusted to the legislated 65 percent limitation in FY 1994.
- In FY 1995, engine modules will be capitalized into the Reparable Support Division. This will be the last major item scheduled to be capitalized into RSD.
- The realignment of resources from the Cost of Operations Division to the proper appropriation will better align the logistics management overhead. This will result in a reduction in costs of approximately \$286M to the fund which will also reduce prices to the customers.
- The consumable item transfer will continue to impact both SSD and GSD. The inventory and sales in SSD will continue to decline while GSD will experience more sales as DLA takes management responsibility for former Air Force (SSD) managed items.
- Based on reduced fuel prices, Fuels division's obligation authority was decreased by \$462.8M for FY 1995. The customer also benefits from this situation as fuel prices will also decrease to the customer.
- Wholesale supply costs were increased to support the Joint Logistics Systems Center (\$67.3M) and the Defense Finance and Accounting Service (\$17.0M) in FY 1995 and to reflect total costs within the fund.

Each of the above actions will result in changes to the Air Force Supply Management operation and result in less costly and better support to the various customers.

**DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE**

**SUPPLY MANAGEMENT - AIR FORCE
REVENUE AND EXPENSES
(Dollars in Millions)**

	FY 1993	FY 1994	FY 1995
Revenue:			
Net Sales:			
Operations	9,207.8	9,814.7	9,768.9
Capital Surcharge	0.0		67.3
Depreciation except Maj	47.0	27.4	27.4
Major Construction Depre	0.0	0.0	0.0
Total Net Sales	9,254.8	9,842.1	9,863.7
Other Income	0.0	0.0	0.0
Total Income	9,254.8	9,842.1	9,863.7
Expenses:			
Cost of Materiel Sold from	7,655.5	8,767.6	9,070.5
Negotiated Purchases from	0.0	0.0	0.0
Transportation	91.5	98.0	91.5
Salaries and Wages:			
Military Personnel	36.0	34.2	1.1
Civilian Personnel	455.1	365.8	123.9
Materials, Supplies and			
Parts used in Operations	18.0	15.1	15.4
Facility Repair Charge	0.8	0.7	0.1
Depreciation - Capital	24.0	27.4	27.4
Contracted Engineering Ser	13.1	10.8	2.1
Lease Costs	0.2	0.1	0.0
Purchased Utilities	0.0	0.0	0.0
Purchased Communications	1.1	0.9	0.2
Equipment Maintenance	24.8	20.5	4.0
Fuel	0.2	0.1	0.1
Other Expenses	506.1	434.9	398.5
Total Expenses	8,826.3	9,776.4	9,734.9
Work in Process Adjusted	0.0	0.0	0.0
Comp Work for Activity Ret	0.0	0.0	0.0
Cost of Goods Sold	8,826.3	9,776.4	9,734.9
Operating Result	428.5	65.7	128.8
Less Capital Surchg Reserv	0.0	0.0	67.3
Plus Appns Affecting NOR/A	0.0	0.0	0.0
Oth Changes Affecting NOR/	(278.0)	0.0	0.0
Inventory Gains and Losses	0.0	0.0	0.0
Net Operating Result	150.5	65.7	61.5
Transfers Not Affecting NOR/	0.0	0.0	0.0
Prior Year and Other Adjustm	0.0	0.0	0.0
Other Inventory Adjustments	0.0	0.0	0.0
WRM Appropriations	0.0	11.6	11.6
Net Result	150.5	77.3	73.1

**DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE**

**SUPPLY MANAGEMENT- AIR FORCE
SOURCE OF REVENUE
(Dollars in Millions)**

	<u>FY 1993</u>	<u>FY 1994</u>	<u>FY 1995</u>
1. Orders from DoD Components			
Army	52.5	40.5	39.1
Navy	317.1	251.5	221.7
Air Force	5,749.5	6,049.1	5,702.7
Marine Corps	0.0	0.0	0.0
Other	466.2	619.6	651.1
2. Orders from other DBOF Business Areas	2,980.4	2,706.5	2,867.5
3. Total DoD	9,565.7	9,667.3	9,482.2
4. Other Orders:			
Other Federal Agencies	261.9	176.7	149.8
Trust Fund	4.7	4.7	5.4
Non Federal Agencies	573.7	491.7	464.0
5. Total Gross Orders	10,406.1	10,340.4	10,101.4
6. Credits and Allowances:			
Discounts	0.0	0.0	0.0
Price Reductions	0.0	0.0	0.0
7. Change to Backlog	725.1	110.2	(139.0)
8 Total Gross Sales	9,681.0	10,230.2	10,240.3

**DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE**

**SUPPLY MANAGEMENT - AIR FORCE
MATERIAL INVENTORY DATA
(Dollars in Millions)
FISCAL YEAR 1993**

	Total	Mobil	Peacetime Operating	Other
Materiel Inventory BOP	40,407.5	4,790.9	16,907.6	18,709.0
BOP Reclassification Changes	(10,536.7)	(197.2)	(4,773.5)	(5,566.0)
Price Changes	5,564.5	570.6	2,286.9	2,706.9
Receipts from Comm Sources	9,515.7	447.9	7,330.6	1,737.3
Neg Purchase from Customers	448.5	0.0	448.5	0.0
Gross Sales	9,703.3	0.0	9,703.3	0.0
Materiel Inventory Adjustments				
CAPITALIZATIONS + OR (-)	2,321.8	303.0	1,110.3	908.5
RETURNS TO SUPPLIERS (-)	(211.1)	(0.1)	(118.5)	(92.5)
TRANSFERS TO PROP. DISP. (	(9,186.5)	(32.8)	(0.2)	(9,153.4)
ISSUES/RECEIPTS WITHOUT	5,545.5	1.6	29.5	5,514.4
REIMBURSEMENT + or (-)				
OTHER (list)	(506.2)	(4,788.6)	4,536.4	(254.0)
TOTAL ADJUSTMENTS	(2,036.4)	(4,516.9)	5,557.5	(3,077.0)
Materiel Inventory EOP	33,659.7	1,095.3	18,054.1	14,510.3
ECONOMIC RETENTION (memo)				10,684.6
POLICY RETENTION (memo)				3,682.6
POTENTIAL EXCESS (memo)				39.1
				104.0
Materiel Inventory on Order				
EOP (memo)	2,881.3	293.7	2,256.8	330.7

**DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE**

**SUPPLY MANAGEMENT - AIR FORCE
MATERIAL INVENTORY DATA
(Dollars in Millions)
FISCAL YEAR 1994**

	Total	Mobil	Operating	----- Peacetime Other
Materiel Inventory BOP	33,659.7	1,095.3	18,054.1	14,510.3
BOP Reclassification Changes	(3,813.4)	(92.2)	(2,023.5)	(1,697.7)
Price Changes	4,258.5	96.0	2,323.7	1,838.7
Receipts from Comm Sources	7,595.6	230.7	6,879.0	485.9
Neg Purchase from Customers	388.1	0.0	388.1	0.0
Gross Sales	10,230.2	0.0	10,230.2	0.0
Materiel Inventory Adjustments				
CAPITALIZATIONS + OR (-)	290.0	(83.8)	139.7	234.2
RETURNS TO SUPPLIERS (-)	(98.8)	(0.1)	(0.1)	(98.5)
TRANSFERS TO PROP. DISP. (-)	(3,321.5)	(17.1)	(0.3)	(3,304.1)
ISSUES/RECEIPTS WITHOUT REIMBURSEMENT + or (-)	4,044.0	1.5	47.1	3,995.4
OTHER (list)	487.1	(282.1)	632.1	137.1
TOTAL ADJUSTMENTS	1,400.8	(381.7)	818.4	964.1
Materiel Inventory EOP	33259.1	948.1	16209.7	16101.3
ECONOMIC RETENTION (memo)				12,218.9
POLICY RETENTION (memo)				3,754.0
POTENTIAL EXCESS (memo)				13.7
OTHER				114.7
Materiel Inventory on Order EOP (memo)	3,175.0	170.1	2,522.8	482.1

**DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE**

**SUPPLY MANAGEMENT - AIR FORCE
MATERIAL INVENTORY DATA
(Dollars in Millions)
FISCAL YEAR 1995**

			----- Operating	----- Peacetime Other
Materiel Inventory BOP	33,259.1	948.1	16,209.7	16,101.3
BOP Reclassification Changes	1,696.8	44.4	1,111.8	540.6
Price Changes	(632.3)	(9.2)	(341.5)	(281.6)
Receipts from Comm Sources	7,497.9	182.4	6,836.4	479.1
Neg Purchases from Customers	376.6	0.0	376.6	0.0
Gross Sales	10,240.3	0.0	10,240.3	0.0
Materiel Inventory Adjustments				
CAPITALIZATIONS + OR (-)	2,269.9	22.2	1,708.4	539.2
RETURNS TO SUPPLIERS (-)	(106.7)	(1.5)	(0.3)	(105.0)
TRANSFERS TO PROP. DISP. (-)	(2,586.3)	(11.8)	(0.3)	(2,574.1)
ISSUES/RECEIPTS WITHOUT REIMBURSEMENT + or (-)	3,005.3	0.5	50.3	2,954.5
OTHER (list)	538.2	(213.0)	555.1	196.2
TOTAL ADJUSTMENTS	3,120.4	(203.6)	2,313.2	1,010.7
Materiel Inventory EOP	35,078.2	962.2	16,265.9	17,850.1
ECONOMIC RETENTION (memo)				13,597.7
POLICY RETENTION (memo)				4,112.8
POTENTIAL EXCESS (memo)				13.3
OTHER				126.2
Materiel Inventory on Order				
EOP (memo)	3,374.4	96.2	2,888.3	389.9

DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE

SUPPLY MANAGEMENT - AIR FORCE
CAPITAL BUDGET
(Dollars in Millions)

	FY 1993	FY 1994	FY 1995
	-----	-----	-----
Equipment (except ADP & TELCOM	0.0	0.0	0.0
Minor Construction	0.0	4.5	1.9
ADPE & TELCOM	0.0	0.0	0.0
Software	0.0	0.0	0.0
Total	0.0	4.5	1.9

Defense Business Operations Fund

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WILSON BASE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE

BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION (\$ in Thousands)										A. Budget Submission FY 1994/1995 BLS		
B. Component/Business Area/Date Air Force/Supply Management		C. Line No. & Item Description OCMIND16 REPAIR RAILROAD TRACKAGE				D. Activity Identification OC ALC/D5						
Element of Cost REPAIR PROJECT (920131)		FY 1993			FY 1994			FY 1995			Total Cost	
		Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost		
				\$0.0							\$1,500.0	\$1,500.0
<p align="center">Narrative Justification:</p> <p>Nine miles of railroad trackage needs repair per Military Traffic Management Command inspection team.</p>												

OCMIND16.XLS

11/01/94

DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE FY 1995 BUDGET ESTIMATE

BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION (\$ in Thousands)									
B. Component/Business Area/Date Air Force/Supply Management			C. Line No. & Item Description SM-MIN-017 MINOR CONSTRUCTION			A. Budget Submission FY 1994/1995 BES			
			D. Activity Identification SM-ALC						

DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE

BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION									
B. Component/Section Area/State Air Force/Security Management			C. Line No. & Item Description WRMINDI Minor Construction Projects			A. Budget Submission FY'94 President's Budget D. Activity Identification Minor Construction			
			(\$ in Thousands)						
Element of Cost Minor Construction Projects	FY 1993			FY 1994			FY 1995		
	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost
				20	\$30.0	\$600.0			\$0.0

Narrative Justification:

Minor construction projects greater than \$15,000 needed to insure safety and protect facilities.

01/10/95

DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE

BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION									
B. Component/Business Area/Dept Air Force/Security Management			C. Line No. & Item Description (OCMIRN001 Fire Sprinkler System)			A. Budget Submission FY94 President's Budget D. Activity Identification Minor Construction			
			(\$ in Thousands)						
Element of Cost	FY 1993			FY 1994			FY 1995		
	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost
Fire Sprinkler System				2	\$300.0	\$600.0			\$0.0

Narrative Justification:

The administrative space in the LA Directorate area of Bldg 3001 has no fire sprinkler. Therefore, personnel have no fire protection. The cost to replace equipment and facility would be greater than the cost of the installation of the fire sprinkler. Preventing loss of life and property damage makes this form of fire protection/prevention necessary. This project would be completed in three phases of construction.

DDH01-76

DEFENSE BUSINESS OPERATIONS FUND AIR FORCE
 DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
 FY 1995 BUDGET ESTIMATE

SUPPLY MANAGEMENT - AIR FORCE
 FUEL DATA
 (Dollars in Millions)

FY 1993

PROCURED BY AIR FORCE

PRODUCT	Barrels	Cost Per Barrel	Extended Cost	Stabiliz Price
JP-4	1.3	34.4	45.1	\$0.7
Distillates	1.5	32.2	48.9	\$0.7
JP-5	0.1	35.1	1.8	\$0.8
JP-8	0.2	41.5	7.0	\$0.8
Motor Gas				
Leaded	0.0	39.2	0.4	\$0.9
Unleaded	0.6	37.1	20.4	\$0.8
Residual	0.3	21.6	7.3	\$0.7
AVGAS	0.0	0.0	0.0	\$0.0
AF				
Special Fuels 1 (JA-1)	0.3	55.2	13.8	\$0.7
Special Fuels 2 (JP-TS)	0.0	0.0	0.0	\$0.0
Gasohol	0.0	0.0	0.0	\$0.0
Diesel	0.0	0.0	0.0	\$0.0
Navy Reclaimed	0.0	0.0	0.0	\$0.0
Other				
Bunker "C"	0.0	0.0	0.0	\$0.0
Lube Oil	0.0	0.0	0.0	\$0.0
Coal	0.0	0.0	0.0	\$0.0
Navy Special	0.0	0.0	0.0	\$0.0
Into Plane	0.0	0.0	0.0	\$0.0
Other	0.0	0.0	0.0	\$0.0
Total	4.2		144.7	

DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
 DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
 FY 1995 BUDGET ESTIMATE

SUPPLY MANAGEMENT - AIR FORCE
 FUEL DATA
 (Dollars in Millions)

FUEL DATA
 (Dollars in Millions)

FY 1994

PROCURED BY AIR FORCE

PRODUCT	Barrels	Cost Per Barrel	Extended Cost	Stabiliz Price
JP-4	0.3	36.1	11.6	\$0.8
Distillates	1.9	33.8	62.8	\$0.8
JP-5	0.1	36.9	1.8	\$0.9
JP-8	0.2	43.5	7.0	\$0.8
Motor Gas				
Leaded	0.0	41.2	0.4	\$1.0
Unleaded	0.6	39.0	22.2	\$0.9
Residual	0.3	22.6	7.7	\$0.6
AVGAS	0.0	0.0	0.0	\$0.0
AF				
Special Fuels 1 (JA-1)	0.3	58.0	14.5	\$0.0
Special Fuels 2 (JP-TS)	0.0	0.0	0.0	\$0.0
Gasohol	0.0	0.0	0.0	\$0.0
Diesel	0.0	0.0	0.0	\$0.0
Navy Reclaimed	0.0	0.0	0.0	\$0.0
Other				
Bunker "C"	0.0	0.0	0.0	\$0.0
Lube Oil	0.0	0.0	0.0	\$0.0
Coal	0.0	0.0	0.0	\$0.0
Navy Special	0.0	0.0	0.0	\$0.0
Into Plane	0.0	0.0	0.0	\$0.0
Other	0.0	45.8	0.0	\$1.1
Total	3.6		128.0	

DEFENSE BUSINESS OPERATIONS FUND
 DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
 FY 1995 BUDGET ESTIMATE

SUPPLY MANAGEMENT - AIR FORCE
 FUEL DATA
 (Dollars in Millions)

FY 1995		FUEL DATA (Dollars in Millions)			
		PROCURED BY AIR FORCE			
PRODUCT	Barrels	Cost Per Barrel	Extended Cost	Stabiliz Price	
JP-4	0.2	38.0	6.5	\$0.7	
Distillates	0.1	35.5	1.8	\$0.7	
JP-5	0.1	38.7	2.3	\$0.7	
JP-8	0.4	45.8	16.9	\$0.7	
Motor Gas					
Leaded	0.0	0.0	0.0	\$0.0	
Unleaded	0.0	40.9	0.8	\$0.7	
Residual	0.0	0.0	0.0	\$0.0	
AVGAS	0.0	0.0	0.0	\$0.0	
AF					
Special Fuels 1	0.0	0.0	0.0	\$0.0	
(JA-1)	0.2	61.0	9.1	0.7	
Special Fuels 2	0.0	0.0	0.0	\$0.0	
(JP-TS)					
Gasohol	0.0	0.0	0.0	\$0.0	
Diesel	0.0	0.0	0.0	\$0.0	
Navy Reclaimed	0.0	0.0	0.0	\$0.0	
Other					
Bunker "C"	0.0	0.0	0.0	\$0.0	
Lube Oil	0.0	0.0	0.0	\$0.0	
Coal	0.0	0.0	0.0	\$0.0	
Navy Special	0.0	0.0	0.0	\$0.0	
Into Plane	0.0	0.0	0.0	\$0.0	
Other	0.0	48.1	0.0	\$1.1	
Total	0.9		37.4		

DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE

FY 1993 ACTUAL

MATERIEL COST SUMMARY
COMPONENT: U.S. AIR FORCE

(DOLLARS IN MILLIONS)

DIVISION	PEACETIME INVENTORY	CUSTOMER ORDERS	NET SALES	COST TARGETS		
				OPERATING	MOB	TOTAL
Supply Management Business Area						
ICP Retail Summary						
Fuels	134.862	2,867.012	2,646.100	2,580.817	0.000	2,580.817
GSD	1,210.251	1,866.940	1,812.679	1,714.466	2.987	1,717.453
Med/Dent	46.528	513.789	511.430	488.725	20.580	509.305
Academy	5.105	4.694	4.593	5.005	0.000	5.005
Subtotal	1,396.746	5,252.435	4,974.802	4,789.013	23.567	4,812.580
ICP Wholesale Summary						
RSD	37,153.174	4,065.523	3,320.521	1,846.176	148.775	1,994.951
SSD	4,353.995	1,088.132	959.484	542.067	0.000	542.067
COD	0.000	0.000	0.000	1,150.500	0.000	1,150.500
Subtotal	41,507.169	5,153.655	4,280.005	3,538.743	148.775	3,687.518
Component Total	42,903.915	10,406.090	9,254.807	8,327.756	172.342	8,500.098

DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE

FY 1994 APPROVED

MATERIEL COST SUMMARY

COMPONENT: U.S. AIR FORCE

(DOLLARS IN MILLIONS)

DIVISION	PEACETIME INVENTORY	CUSTOMER ORDERS	NET SALES	COST TARGETS		
				OPERATING	MOB	TOTAL
Supply Management Business Area						
ICP Retail Summary						
Fuels	98.293	2,965.224	2,765.375	2,749.111	0.000	2,749.111
GSD	1,437.544	2,471.880	2,277.959	2,232.423	0.000	2,232.423
Med/Dent	48.672	521.524	519.840	519.840	11.600	531.440
Academy	5.338	4.778	4.715	4.715	0.000	4.715
Subtotal	1,589.847	5,963.406	5,567.889	5,506.089	11.600	5,517.689
ICP Wholesale Summary						
RSD	40,754.838	3,742.396	3,647.369	2,662.868	0.000	2,662.868
SSD	4,027.017	634.566	626.845	269.000	0.000	269.000
COD	0.000	0.000	0.000	978.450	0.000	978.450
Subtotal	44,781.855	4,376.962	4,274.214	3,910.318	0.000	3,910.318
Component Total	46,371.702	10,340.368	9,842.103	9,416.407	11.600	9,428.007

**DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE**

FY 1995 APPROVED

**MATERIEL COST SUMMARY
COMPONENT: U.S. AIR FORCE**

(DOLLARS IN MILLIONS)

DIVISION	PEACETIME INVENTORY	CUSTOMER ORDERS	NET SALES	COST TARGETS		
				OPERATING	NOB	TOTAL
Supply Management Business Area						
ICP Retail Summary						
Fuels	25.096	2,635.925	2,442.789	2,437.855	0.000	2,437.855
GSD	1,492.673	2,366.580	2,314.012	2,257.400	0.000	2,257.400
Med/Dent	54.108	542.859	541.322	541.322	33.600	574.922
Academy	5.218	4.740	4.680	4.680	0.000	4.680
Subtotal	1,577.095	5,550.104	5,302.803	5,241.257	33.600	5,274.857
ICP Wholesale Summary						
RSD	41,220.075	3,866.264	3,919.605	2,699.775	0.000	2,699.775
SSD	3,726.996	685.001	641.242	351.700	0.000	351.700
COD	0.000	0.000	0.000	700.446	0.000	700.446
Subtotal	44,947.071	4,551.265	4,560.847	3,751.921	0.000	3,751.921
Component Total	46,524.166	10,101.369	9,863.650	8,993.178	33.600	9,026.778

**DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE**

Supply Management (Wholesale)

**WEAPON SYSTEM SUMMARY
DOLLARS IN MILLIONS**

SM-30	FY 1994	FY 1995
A-7	0.534	0.062
A-10	52.692	64.562
B-1	12.448	8.329
B-1B	114.423	140.995
B-2	5.065	28.592
B-52	102.712	100.867
C-5	138.495	137.156
C-17	113.308	20.216
C-130	237.396	220.609
C-135	127.245	124.824
C-141	66.459	64.736
E-3	50.694	56.889
E-4	0.858	0.504
E-8	33.901	50.956
F-4	23.851	32.234
F-5	8.908	21.270
F-15	251.213	299.868
F-16	229.427	233.714
F-111	91.313	80.745
F-117	2.863	2.914
T-37	0.187	1.387
LGM-30	2.004	3.236
H-1	2.639	2.300
H-3	1.210	2.229
H-53	6.004	11.396
H-60	26.489	11.638
TRAINERS	19.983	19.754
F100	303.367	471.265
F110	57.265	44.334
SOF	48.835	78.857
COMMON	349.205	377.485
OTHACFT	21.137	13.819
CHAFF	0.489	0.925
C&E	20.170	16.183
2LvlMnt	0.000	0.000
MISSILES	105.573	69.336
OTHER	303.506	237.289
TOTAL OBLIGATIONS	2931.868	3051.475

DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE
FY 1995 RATES IN FY 1995 PB
SUPPLY MANAGEMENT
CUSTOMER PRICE EXHIBIT

COMPOSITE FOR SSD & RSD
93 94 95

	(3) (%)	(4) (\$)	(5) (%)	(6) (\$)	(7) (%)	(8) (\$)
FORECAST ACQUISITION COST:						
BUDGETED COST	2.27%	90.48	3.30%	93.47	2.40%	95.71
+TRANS, INV MAINT &	0.58%	0.52	1.43%	1.33	0.05%	0.05
+DEPRECIATION	0.34%	0.31	0.37%	0.35	0.55%	0.53
+CONDEMNATIONS	3.01%	2.73	5.84%	5.46	3.72%	3.56
+INFLATION	0.55%	0.50	0.38%	0.35	0.44%	0.42
+/-OTHER	-0.25%	-0.22	1.73%	1.62	4.31%	4.12
+COST OF OPERATIONS	6.29%	5.69	6.71%	6.27	3.85%	3.68
STANDARD PRICE	10.52%	100.00	16.45%	108.85	12.92%	108.07
%CHANGE TO CUSTOMER (S	3.30%		8.85%		-0.71%	
 REPAIR COST:						
BUDGETED COST		15.11		14.67		14.71
+TRANS, INV MAINT &	3.44%	0.52	9.09%	1.33	0.35%	0.05
+DEPRECIATION	2.05%	0.31	2.38%	0.35	3.59%	0.53
+CONDEMNATIONS	18.05%	2.73	37.18%	5.46	24.18%	3.56
+INFLATION	3.30%	0.50	2.40%	0.35	2.88%	0.42
+/-OTHER	-1.49%	-0.22	11.05%	1.62	28.01%	4.12
+COST OF OPERATIONS	37.66%	5.69	42.72%	6.27	25.01%	3.68
STD (SSD) & EXCHANGE	63.01%	24.63	104.82%	30.05	84.02%	27.08
COMPOSITE % CHANGE AT	69.90%		22.02%		-9.89%	
APPROVED % CHANGE CUST	20.70%		26.65%			
% CHANGE IN PROGRAM	49.20%		-4.63%			

DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE

CUSTOMER PRICE EXHIBIT
System Support Division
DOLLARS IN MILLIONS

	FY 1993		FY 1994		FY 1995	
	(1)	(2)	(3)	(4)	(5)	(6)
	(X)	(\$)	(X)	(\$)	(X)	(\$)
BUDGETED COST	0.00%	80.11	3.29%	82.75	2.40%	84.74
+SURCHARGE	3.89%	3.12	10.53%	8.72	1.80%	1.52
+DEPRECIATION	1.77%	1.42	1.96%	1.62	3.13%	2.65
+CONDEMNATIONS	0.00%	0.00	0.00%	0.00	0.00%	0.00
+INFLATION	3.30%	2.64	2.40%	1.99	2.88%	2.44
+/-OTHER	-16.67%	-13.35	9.07%	7.51	22.45%	19.03
+COST OF OPERATIONS	32.53%	26.06	35.10%	29.04	20.05%	16.99
=STANDARD PRICE	24.83%	100.00	59.06%	131.62	50.31%	127.37
% CHANGE TO CUSTOMER	0.00%	XXXX	31.62%	XXXX	-3.23%	XXXX

**DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE**

**CUSTOMER PRICE EXHIBIT
Reparable Support Division
DOLLARS IN MILLIONS**

	FY 1993		FY 1994		FY 1995	
	(1)	(2)	(3)	(4)	(5)	(6)
	(%)	(\$)	(%)	(\$)	(%)	(\$)
BUY						
BUDGETED COST (FAC)	0.00%	91.05	3.30%	94.06	2.40%	96.32
+SURCHARGE	0.41%	0.38	1.10%	1.04	0.01%	0.01
+DEPRECIATION	0.27%	0.25	0.31%	0.30	0.48%	0.46
+CONDEMNATIONS	3.16%	2.88	5.84%	5.49	3.82%	3.68
+INFLATION	0.42%	0.38	0.30%	0.29	0.38%	0.36
+/-OTHER	0.55%	0.50	1.46%	1.37	3.81%	3.67
+COST OF OPERATIONS	5.01%	4.56	5.63%	5.30	3.40%	3.28
=STANDARD PRICE	9.83%	100.00	14.65%	107.84	11.90%	107.78
PRICE GROWTH	0.00%	XXXX	7.84%	XXXX	-0.05%	XXXX
REPAIR						
BUDGETED COST (FAC)	XXXX	91.05	XXXX	94.06	XXXX	96.32
REPAIR COST	XXXX	11.51	XXXX	11.89	XXXX	12.59
CARCASS PRICE	XXXX	79.54	XXXX	82.17	XXXX	83.72
PRICE GROWTH FOR REPARABLE INV	0.00%	XXXX	3.31%	XXXX	1.89%	XXXX
 BUDGETED COST (REPAIR)	XXXX	11.51	XXXX	11.89	XXXX	12.59
+SURCHARGE	3.27%	0.38	8.74%	1.04	0.05%	0.01
+DEPRECIATION	2.16%	0.25	2.49%	0.30	3.69%	0.46
+CONDEMNATIONS	24.99%	2.88	46.18%	5.49	29.21%	3.68
+INFLATION	3.30%	0.38	2.40%	0.29	2.88%	0.36
+/-OTHER	4.35%	0.50	11.52%	1.37	29.16%	3.67
+COST OF OPERATIONS	39.63%	4.56	44.57%	5.30	26.04%	3.28
=EXCHANGE PRICE	77.70%	20.46	115.89%	25.67	91.03%	24.06
 % CHANGE TO CUSTOMER	0.00%	XXXX	25.45%	XXXX	-6.28%	XXXX

DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE

CUSTOMER PRICE EXHIBIT
General Support Division
DOLLARS IN MILLIONS

	FY 1993		FY 1994		FY 1995	
	(1)	(2)	(3)	(4)	(5)	(6)
	(%)	(\$)	(%)	(\$)	(%)	(\$)
BUDGETED COST	0.00%	100.00	0.00%	100.00	2.50%	102.50
+SURCHARGE	0.00%	0.00	5.70%	5.70	5.54%	5.68
+DEPRECIATION	0.00%	0.00	0.00%	0.00	0.00%	0.00
+CONDEMNATIONS	0.00%	0.00	0.00%	0.00	0.00%	0.00
+INFLATION	0.00%	0.00	2.50%	2.50	2.80%	2.87
+/-OTHER	0.00%	0.00	0.00%	0.00	0.00%	0.00
+COST OF OPERATIONS	0.00%	0.00	0.00%	0.00	0.00%	0.00
=STANDARD PRICE	0.00%	100.00	8.20%	108.20	8.34%	111.05
% CHANGE TO CUSTOMER	0.00%	XXXX	8.20%	XXXX	2.63%	XXXX

DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE

Summary of Price, Program and Other Changes (Operating Budget) - OBLIGATION
 Component: U.S. Air Force

Cost of Operations Division (ICP)

(Dollars In Millions)

	Cost Of Opns FY 1993	Cost Of Opns FY 1994	Price Growth	Program & Other Changes	Cost Of Opns FY 1995
Military Personnel Compensation	36.025	34.189	0.547	(33.608)	1.128
Civilian Personnel Compensation	455.122	365.823	5.854	(247.795)	123.882
Travel	7.426	6.163	0.173	(0.057)	6.279
Materiel, Equipment & Supplies (Non-FUND)	6.142	5.098	0.143	(0.049)	5.192
Materiel, Eqmt & Supplies (From FUND)	12.233	10.152	0.284	(0.094)	10.342
Purchases From Other Fund Businesses	0.000	0.000	0.000	0.000	0.000
Transportation (From FUND)	0.000	0.000	0.000	0.000	0.000
Transportation (From Non-FUND)	71.033	67.732	1.896	(8.666)	60.962
Depreciation/Amortization	0.000	27.449	0.000	0.000	27.449
Other Purchases	562.519	461.844	12.932	(9.564)	465.212
 Total Operating Budget (Includes Reimbursements)	 1,150.500	 978.450	 21.829	 (299.833)	 700.446

DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 PRESIDENT'S BUDGET

SUPPLY MANAGEMENT - AIR FORCE
CHANGES IN OPERATIONS
(Dollars in Millions)

FY 1993 Actual Cost 8,826.500

Pricing Adjustments:

Price Growth (Inventory Divisions) 512.564

Program Changes 437,286

Total 949.850

FY 1994 Current Estimate 9,776.350

Pricing Adjustments:

Price Growth (Inventory Divisions) (45.063)

Program Changes 70.159

Total 25.096

FY 1995 Estimate 9,801.446

**DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE**

DEPOT MAINTENANCE

FUNCTIONAL DESCRIPTION

Background - Industrial funding of Air Force depot maintenance services began in July 1968 as the financial framework for managing maintenance operations on a businesslike basis. In October 1991, the Air Force Depot Maintenance Industrial Fund was incorporated within the Depot Maintenance Business Area of the new DoD Defense Business Operations Fund (DBOF).

Facilities - Air Force Organic depot maintenance is accomplished at the following Air Force Materiel Command (AFMC) facilities:

<u>Center</u>	<u>Location</u>
Oklahoma City Air Logistics Center (ALC)	Tinker Air Force Base (AFB), Oklahoma City, OK
Ogden ALC	Hill AFB, Ogden, UT
San Antonio ALC	Kelly AFB, San Antonio, TX
Sacramento ALC	McClellan AFB, Sacramento, CA
Warner Robins ALC	Robins AFB, Warner Robins, GA
Aerospace Guidance and Metrology Center*	Newark AFB, Newark, OH
Aerospace Maintenance & Regeneration Center	Davis-Monthan AFB, Tucson, AZ

* The 1993 Base Closure List included Newark AFB. This base is expected to close by mid-1996 and affects 92 military and 1,679 civilians. The FY95 cost to close the installation has negligible impact on the FY95 DMBA budget, but will be a feature of FY96 and subsequent submissions.

Organic/Contractor Workload Mix - The depot maintenance environment is rapidly changing in response to a decreasing force structure and technology changes. Weapon systems embodying new material and technologies require new maintenance processes while improvements in reliability are reducing the frequency of maintenance for many items. The net result is a requirement for great flexibility in addressing both wartime and peacetime workload changes. The Air Force achieves this

**DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE**

flexibility by employing the unique strengths of organic and contractor repair sources for the optimum combination of over all capabilities.

Contractor Strengths - Contract maintenance includes depot level maintenance performed on contract by commercial repair sources worldwide and through interservice agreements with other DoD components, primarily Army and Navy. Contract repair sources are often on the leading edge of developments in technology or have specialized facilities and capabilities not available at organic depots.

The Organic Depot Role - Organic depot maintenance is the capability that guarantees support of core workload for our combat forces when, for any reason, commercial sources cannot or will not perform. Air Force depot maintenance facilities are limited by Air Force and DoD directives to mission essential workloads.

Customers - Depot maintenance services are provided primarily to Air Force Organizations, including the Air National Guard, Air Combat Command, Air Mobility Command, US Strategic Command, US Air Forces in Europe, and Pacific Air Forces. Other Services, government agencies, and foreign governments are also supported.

BUDGET HIGHLIGHTS

Organic Maintenance

Scope of Operations - Organic depot maintenance services include repair, overhaul, and modification of aircraft, engines, modules and associated component items, exchangeable spare parts, missiles, and other major end items. Other services include local manufacture, software maintenance, aircraft storage and reclamation, and support to base tenants and regions.

Manning - A key objective of Air Force depot maintenance is to have the correct number of appropriately skilled people in the right places to support established peacetime and wartime requirements. Due to programmed force structure, activity level reductions and productivity improvements, the workforce has been reduced from 37,500 to match the projected workload.

**DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE**

	FY 1993	FY 1994	FY 1995
Civilian	30,841	30,347	29,598
Military	330	330	330

Changes from Previous Submissions - Significant program and DBOF budget process changes compared to previous budgets are:

Two Level Maintenance (2LM). The Air Force is converting its existing three levels of maintenance (organization, intermediate, and depot) to two (organization and depot) for selected avionics and engine end items. This initiative capitalizes on improvements in weapon system reliability, transportation flow time, and parts tracking capabilities to achieve two principal benefits. First, performing 2LM reduces positions at the intermediate level and second, 2LM substantially reduces the mobility footprint of personnel and equipment required to support deployed operations. The Air Force initiated the 2LM program on 1 October 1993.

Funded Backlog. The Depot Maintenance Business Area continues to steadily reduce the backlog of funded customer orders from about 5.8 months in FY92 to a projected 3.0 months for FY95 organic operations.

Other Items Affecting Costs of Operations. The FY95 cost of operations were also affected by

1. depot maintenance support center (DMSC) transfer
2. material inflation
3. divestiture of capital assets due to downsizing
4. revenue recognition
5. reparable spare part costs (depot level repairable (DLR))
6. environmental requirements

Productivity Savings - Under the Defense Depot

DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE

Maintenance Council's Corporate Business Plan, the Air Force Depot Maintenance Business Area has programmed savings within seven categories: (1) labor reductions (2) materials and supplies reductions (3) improved capacity utilization's (4) Contractor Engineering Technical Services (5) industrial process improvements (6) increased interservicing and (7) workload competition.

Environmental Requirements - Funding is included within the operating and capital purchases programs to reduce hazardous waste, eliminate pollution, and reduce ozone depleting chemicals

Capital Budget - The capital budget provides the means to replace obsolete and unserviceable equipment, modernize repair processes, eliminate environmental hazards, decrease repair costs through productivity improvements, and increase combat effectiveness by producing more capable and reliable products.

Contract Maintenance

General Statement - The Depot Maintenance Business Area manages contractor-performed maintenance by providing policy direction and financial and program execution management. The Air Logistics Centers which manage the weapon systems receive funded repair requirements, assure that items which require repair are placed on contract, maintain financial responsibility over the life of the contract, and exercise overall program surveillance.

Contracting Methodology - Contractors augment organic capabilities on both a permanent and temporary basis. Permanent contract maintenance applies to workloads that supplement organic resources and those involving unique processes or capabilities which could not be established organically at reasonable cost. Temporary contract maintenance, including contract field teams, is used when organic maintenance is not practical or economical.

Categories of Maintenance - Air Force contract depot level maintenance workload in the areas of aircraft (including programmed depot maintenance), analytical condition inspections, major modification programs, corrosion control, missile repair and modifications, engines and engine components, other major end items, and repair of exchangeable spare parts.

**DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE**

Interservice Support - Support agreements are used for repair of items common to two or more services. Interservice support is also used when common repair technologies apply to dissimilar items or systems. In effect, the agreements are contracts between the services involved.

**DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE**

**DEPOT MAINTENANCE - AIR FORCE
REVENUE AND EXPENSES
(Dollars in Millions)**

	FY 1993	FY 1994	FY 1995
	-----	-----	-----
Revenue:			
Net Sales:			
Operations	4,057.2	4,254.8	4,302.2
Capital Surcharge	0.0		51.6
Depreciation except Maj	78.1	107.6	94.2
Major Construction Depre	0.0	39.0	0.0
Total Net Sales	4,135.3	4,401.4	4,448.0
Other Income	0.0	0.0	0.0
Total Income	4,135.3	4,401.4	4,448.0
Expenses:			
Cost of Materiel Sold from	0.0	0.0	0.0
Negotiated Purchases from	0.0	0.0	0.0
Transportation	0.4	0.3	0.3
Salaries and Wages:			
Military Personnel	20.1	22.2	15.8
Civilian Personnel	1,342.4	1,364.3	1,304.0
Materials, Supplies and			
Parts used in Operations	1,137.7	1,778.7	1,726.3
Facility Repair Charge	28.2	41.3	41.1
Depreciation - Capital	78.1	107.6	94.2
Contracted Engineering Ser	1.6	3.0	3.0
Lease Costs	2.6	3.6	3.5
Purchased Utilities	50.5	51.6	52.7
Purchased Communications	2.4	3.4	3.0
Equipment Maintenance	53.3	69.6	72.0
Fuel	11.8	16.1	16.3
Other Expenses	1,164.3	1,186.9	1,074.9
Total Expenses	3,893.4	4,648.6	4,407.1
Work in Process Adjusted	(226.6)	(35.4)	79.9
Comp Work for Activity Ret	0.0	0.0	0.0
Cost of Goods Sold	4,120.0	4,684.0	4,327.2
Operating Result	15.3	(282.6)	120.8
Less Capital Surchg Reserv	0.0	0.0	51.6
Plus Appns Affecting NOR/A	0.0	0.0	0.0
Oth Changes Affecting NOR/	0.0	0.0	0.0
Inventory Gains and Losses	0.0	0.0	0.0
Net Operating Result	15.3	(282.6)	69.2
Transfers Not Affecting NOR/	0.0	0.0	0.0
Prior Year and Other Adjustm	(0.3)	0.0	0.0
Other Inventory Adjustments	0.0	0.0	0.0
WRM Appropriations	0.0	0.0	0.0
Net Result	15.0	(282.6)	69.2

**DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE**

**DEPOT MAINTENANCE- AIR FORCE
SOURCE OF REVENUE
(Dollars in Millions)**

	FY 1993	FY 1994	FY 1995
	-----	-----	-----
1. Orders from DoD Components			
Army	18.7	17.1	16.7
Navy	67.8	82.8	107.4
Air Force	1,774.8	1,854.6	2,069.5
Marine Corps	0.0	0.0	0.0
Other	27.2	28.3	27.3
2. Orders from other DBOF Business Areas	1,840.7	1,897.4	2,008.3
3. Total DoD	3,729.2	3,880.2	4,229.2
4. Other Orders:			
Other Federal Agencies	0.0	0.0	0.0
Trust Fund	0.0	0.0	0.0
Non Federal Agencies	58.2	61.5	71.5
5. Total Gross Orders	3,787.4	3,941.7	4,300.7
6. Credits and Allowances:			
Discounts	0.0	0.0	0.0
Price Reductions	0.0	0.0	0.0
7. Change to Backlog	(347.8)	(459.7)	(147.3)
8 Total Gross Sales	4,135.2	4,401.4	4,448.0

**DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE**

**DEPOT MAINTENANCE - AIR FORCE
MATERIAL INVENTORY DATA
(Dollars in Millions)
FISCAL YEAR 1993**

	Total	Mobil	----- Peacetime ----- Operating	Other
Materiel Inventory BOP	74.0	0.0	74.0	0.0
BOP Reclassification Changes	0.0	0.0	0.0	0.0
Price Changes	0.0	0.0	0.0	0.0
Receipts from Comm Sources	275.0	0.0	275.0	0.0
Neg Purchase from Customers	0.0	0.0	0.0	0.0
Gross Sales	183.0	0.0	183.0	0.0
Materiel Inventory Adjustments				
CAPITALIZATIONS + OR (-)	0.0	0.0	0.0	0.0
RETURNS TO SUPPLIERS (-)	0.0	0.0	0.0	0.0
TRANSFERS TO PROP. DISP. (	0.0	0.0	0.0	0.0
ISSUES/RECEIPTS WITHOUT	0.0	0.0	0.0	0.0
REIMBURSEMENT + or (-)	0.0		0.0	
OTHER (list)	0.0	0.0	0.0	0.0
TOTAL ADJUSTMENTS	0.0	0.0	0.0	0.0
Materiel Inventory EOP	166.0	0.0	166.0	0.0
ECONOMIC RETENTION (memo)				0.0
POLICY RETENTION (memo)				0.0
POTENTIAL EXCESS (memo)				0.0
Materiel Inventory on Order				
EOP (memo)	0.0	0.0	0.0	0.0

**DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE**

**DEPOT MAINTENANCE - AIR FORCE
MATERIAL INVENTORY DATA
(Dollars in Millions)
FISCAL YEAR 1994**

	Total	Mobil	Operating	----- Peacetime Other
Materiel Inventory BOP	166.0	0.0	166.0	0.0
BOP Reclassification Changes	0.0	0.0	0.0	0.0
Price Changes	0.0	0.0	0.0	0.0
Receipts from Comm Sources	251.0	0.0	251.0	0.0
Neg Purchase from Customers	0.0	0.0	0.0	0.0
Gross Sales	226.0	0.0	226.0	0.0
Materiel Inventory Adjustments				
CAPITALIZATIONS + OR (-)	0.0	0.0	0.0	0.0
RETURNS TO SUPPLIERS (-)	0.0	0.0	0.0	0.0
TRANSFERS TO PROP. DISP. (	0.0	0.0	0.0	0.0
ISSUES/RECEIPTS WITHOUT	0.0	0.0	0.0	0.0
REIMBURSEMENT + or (-)			0.0	
OTHER (list)	0.0	0.0	0.0	0.0
TOTAL ADJUSTMENTS	0.0	0.0	0.0	0.0
Materiel Inventory EOP	191.0	0.0	191.0	0.0
ECONOMIC RETENTION (memo)				0.0
POLICY RETENTION (memo)				0.0
POTENTIAL EXCESS (memo)				0.0
OTHER				0.0
Materiel Inventory on Order				
EOP (memo)	0.0	0.0	0.0	0.0

**DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE**

**DEPOT MAINTENANCE - AIR FORCE
MATERIAL INVENTORY DATA
(Dollars in Millions)
FISCAL YEAR 1995**

			----- Operating	----- Peacetime Other
Materiel Inventory BOP	191.0	0.0	191.0	0.0
BOP Reclassification Changes	0.0	0.0	0.0	0.0
Price Changes	0.0	0.0	0.0	0.0
Receipts from Comm Sources	223.0	-0.0	223.0	0.0
Neg Purchases from Customers	0.0	0.0	0.0	0.0
Gross Sales	213.0	0.0	213.0	0.0
Materiel Inventory Adjustments				
CAPITALIZATIONS + OR (-)	0.0	0.0	0.0	0.0
RETURNS TO SUPPLIERS (-)	0.0	0.0	0.0	0.0
TRANSFERS TO PROP. DISP. (	0.0	0.0	0.0	0.0
ISSUES/RECEIPTS WITHOUT	0.0	0.0	0.0	0.0
REIMBURSEMENT + or (-)	0.0			
OTHER (list)	0.0	0.0	0.0	0.0
TOTAL ADJUSTMENTS	0.0	0.0	0.0	0.0
Materiel Inventory EOP	201.0	0.0	201.0	0.0
ECONOMIC RETENTION (memo)		0.0		0.0
POLICY RETENTION (memo)				0.0
POTENTIAL EXCESS (memo)				0.0
OTHER				0.0
Materiel Inventory on Order				
EOP (memo)	0.0	0.0	0.0	0.0

DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE

DEPOT MAINTENANCE - AIR FORCE
CAPITAL BUDGET
(Dollars in Millions)

	FY 1993	FY 1994	FY 1995
Equipment (except ADP & TE	42.4	92.1	47.5
Minor Construction	8.8	11.0	5.9
ADPE & TELCOM	0.0	1.6	0.0
Software	0.0	0.0	0.0
Total	51.2	104.7	53.4

FY 1995 BUDGET ESTIMATE

UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION (Dollars in Thousands)										A. BUDGET SUBMISSION FY 1995 OSD/OMB Submission	
B. Component/Business Area/Date		C. Line No. & Item Description		D. Activity Identification							
USAF/Depot Maintenance/Oct 93		E-3A ACE Air Conditioners (Replacement)		OC-ALC							
Element of Cost		FY 1993			FY 1994			FY 1995			
		Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	
E-3A ACE Air Conditioners					12	180	2156				

Justification:

Replacement of twelve (12) ACE air conditioners used to support the E-3 Aircraft Programmed Depot Maintenance, modifications, and unscheduled workload operations. ACE air conditioners are used to perform ground functional system checkouts on every E-3 aircraft. Existing units have reciprocating type compressors which have all been condemned and the Manufacturer and Compressor Item Manager no longer support these models. All existing freon type air conditioners in OC-ALC/LAP are considered terminal, obsolete, and unsupportable. The requested replacement air conditioners are the non-polluting refrigerant type (R134A) required by the Clean Air Act of 1990.

Impact if not provided:

All OC-ALC air conditioners are becoming unsupportable. As of Jun 93, new freon can not be purchased to support any air conditioning units. Used freon will be available but can not always be cleaned back to specification limits. LAP can not support more than one aircraft at a time with current working units. Work stoppages and delays are occurring until units can be obtained or made available.

DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE

UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION (Dollars in Thousands)					A. BUDGET SUBMISSION FY 1995 OSD/OMB Submission	
B. Component/Business Area/Date	C. Line No. & Item Description			D. Activity Identification		
USAF/Depot Maintenance/Oct 93	MA-3 Diesel Air Conditioners (Replacement)			OC-ALC		
Element of Cost	FY 1993			FY 1994		
	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost
MA-3 Diesel Air Conditioners				38	53	1993

1. PROJECT IS PREVENTION PROGRAM PROJECT (ELIMINATION OF OZONE DEPLETING CHEMICALS)

Narrative Justification:

Replacing a total of thirty-eight (38) air conditioners used to support the B-52 and C/KC-1235 aircraft Programmed Depot Maintenance operations. These air conditioners support fuel operations on the ramp (and in dock B-52 only). They also cool integral aircraft equipment during operational checks on the ramp. Existing units have many obsolete parts and the manufacturer no longer supports these models. All existing freon type air conditioners in OC-ALC/LAP are considered terminal, obsolete, and unsupportable. The requested replacement air conditioners are the non-polluting refrigerant type (R134A) required by the Clean Air Act of 1990.

Impact if not provided:

All OC-ALC air conditioners are becoming unsupportable. As of Jun 93, new freon can not be purchased to support any air conditioning units. Used freon will be available but can not always be cleaned back to specification limits. Without the new air conditioners, current levels of workload could not be supported.

DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE

UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION (Dollars in Thousands)							A. BUDGET SUBMISSION FY 1995 OSD/OMB Submission			
B. Component/Business Area/Date		C. Line No. & Item Description			D. Activity Identification					
USAF/Depot Maintenance/Oct 93		A/M32C-5. Electric Air Conditioners (Replacement)			OC-ALC					
Element of Cost		FY 1993			FY 1994			FY 1995		
		Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost
A/M32C-5 Electric Air Conditioners					16	39	630			

ELIMINATION OF OZONE DEPLETING CHEMICALS

Narrative Justification:

Replacing sixteen (16) A/M32C-5 electric air conditioners used to support the B-52 and C/KC-1235 aircraft programmed depot maintenance operations. These units provide environmental control for fuel systems work in enclosed areas and are required for support of annual workloads of 50 C-135 aircraft and 21-22 B-52 aircraft. Existing units have many obsolete parts and the manufacturer no longer supports these models. All existing freon type air conditioners in OC-ALC/LAP are considered terminal, obsolete, and unsupportable. The requested replacement air conditioners are the non-polluting refrigerant type (R134A) required by the Clean Air Act of 1990.

Impact if not provided:

All OC-ALC air conditioners are becoming unsupportable. As of Jun 93, new freon can not be purchased to support any air conditioning units. Used freon will be available but can not always be cleaned back to specification limits. Without the new air conditioners, current levels of workload could not be supported.

DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE

UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION (Dollars in Thousands)						A. BUDGET SUBMISSION FY 1995 OSD/OMB Submission		
B. Component/Business Area/Date	C. Line No. & Item Description	D. Activity Identification				WR-ALC		
USAF/Depot Maintenance/Oct 93	Aquamizers for C-141 Paint Removal (Replacement)							
Element of Cost	FY 1993			FY 1994			FY 1995	
	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	Qty	Total Cost
Aquamizers				10	130	1300		
<p>WASTE MINIMIZATION REQUIREMENT (WASTE MINIMIZATION CAPITALIZATION ACCOUNT)</p> <p>Narrative Justification:</p> <p>This project provides for the purchase and installation of, medium pressure (15,000 psi) water with/without bicarbonate of soda, paint removal systems for the C-141 aircraft. The system will be integrated into an existing hangar and replace an existing chemical strip system.</p> <p>Impact if not provided:</p> <p>Chemical stripping of C-141 aircraft will continue, producing hazardous waste and contributing to high levels of air toxins and carcinogens. There will be a possibility for a Clean Air Act violation for banning hazardous air pollutants during aircraft depaint, effective 1997.</p>								

DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE

UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION (Dollars in Thousands)										A. BUDGET SUBMISSION FY 1995 OSD/OMB Submission	
B. Component/Business Area/Date		C. Line No. & Item Description			D. Activity Identification						
USAF/Depot Maintenance/Oct 93		FY88 MILCON Program. Advanced Fuel Accessories Test Facility IOE (Replace)			SA-ALC						
Element of Cost		FY 1993			FY 1994			FY 1995			
		Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	
Advanced Fuel Accessories Test System		1	N/A	12000	1	N/A	13500				
<p>This project will purchase Initial Outfitting Equipment for the Military Construction Project, FY88 Advanced Fuel Accessories Test Facility. This system will replace obsolete existing test stands which are becoming unsupportable, since replacement parts are no longer available. The new system will incorporate generic type test stands which, with adaptors to connect the test stands and the fuel pumps being tested, will be able to test any type workload.</p> <p>The equipment was economically justified IAW AFLCR 78-3 with an annual savings of approximately \$4M. Savings will primarily be derived from improvements in manpower effectiveness, operating and maintenance and repair costs. A base contract, for initial capability, was awarded in FY91, with options for the remainder of equipment. FY93 and FY94 funding is for exercising options for additional capability. Delayed funding will cause loss of contract option, necessitating another complete procurement or renegotiating a price.</p>											

**DEFENSE BUSINESS OPERATIONS AND - AIR FORCE
FY 1995 BUDGET ESTIMATE**

UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION (Dollars in Thousands)				A. BUDGET SUBMISSION FY 1995 OSD/OMB Submission		
B. Component/Business Area/Date		C. Line No. & Item Description		D. Activity Identification		
USAF/Depot Maintenance/Oct 93		Avionics Test Station (Replacement)		OC-ALC		
Element of Cost	FY 1993			FY 1994		
	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost
Avionics Test Station				3	300	900

Justification:

This project replaces three ancient and unsupportable automatic test equipment with state-of-the-art VXI Technology Testers. The current test stations have a history of unreliability and two of them have been down for approximately one year. Current indications from the manufacturers lead to the belief that parts supportability will be decreasing considerably in the future. Current work around procedures involve send parts to an alternate ALC on temporary work orders until they can be repaired. The multiple application capability of the new testers will improve supportability due to operation of like systems and provide the ability to move workload to a second tester when one is down for maintenance and calibration.

Impact if Not Provided:

OC-ALC will have to continue to bare the expense of current methods of routing items to an alternate ALC. Current test stations will continue to experience considerable down time and will eventually become inoperable.

DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE

UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION (Dollars in Thousands)										A. BUDGET SUBMISSION FY 1995 OSD/OMB Submission	
B. Component/Business Area/Date		C. Line No. & Item Description			D. Activity Identification						
USAF/Depot Maintenance/Oc 93		Infrared Camera (Productivity)			SM-ALC						
		FY 1993			FY 1994			FY 1995			
Element of Cost		Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	
Infrared Camera					1	500	500				

Justification:

Purchase an infrared camera for integration with software and equipment to be developed by the Air Force REPTech office under existing contract. This system will be used to perform field level diagnostic testing of phased array antennas to isolate performance of individual phase shifters. Funding is for off the shelf components not funded under the guidelines of the REPTech program. Projected annual savings are \$223,629 with a payback period of 2.24 years.

Impact if not provided:

REPTech contract will not be able to be completed without this funding. In addition, without this capability, the Air Force will continue to send large ground based phased array antennas back to the depot when field repair could be possible.

DEFENSE BUSINESS OPERATIONS - AIR FORCE
FY 1995 BUDGET ESTIMATE

UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION (Dollars in Thousands)					A. BUDGET SUBMISSION FY 1995 OSD/OMB Submission	
B. Component/Business Area/Date USAF/Depot Maintenance/Oct 93		C. Line No. & Item Description Analog Digital Automated Test System (ADATS) (Replacement)		D. Activity Identification SA-ALC		
		FY 1993		FY 1994		FY 1995
Element of Cost	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost
ADATS				1	937	937

Justification:

This project will replace one existing Bendix 320 and nine associated test program sets (TPSS) with advanced commercial automated test equipment that is readily maintainable, hardware expandable, and does not require extensive programming skills for TPS development. The new automated test equipment will assure continued F-15 AIS repair capability. The new replacement test system will meet USAF Automated Test Systems Integrated Weapon System Management (IWSM) standard family criteria that includes standardization, general purpose, flexible architecture system, commercial industry standards, and adaptable to a wide range of mission requirements.

Impact if not Provided:

The existing tester is over ten years old and is obsolete and no longer manufactured. New replacement test equipment is required to support the existing weapon system repair workload. Without the replacement equipment, the maintenance and repair of the F-15 and F-16 support equipment electronic systems will be severely impacted. Manual repair and fault isolation procedures will need to be implemented which will result in unacceptable repair turn around times and repair costs.

**DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE**

UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION (Dollars in Thousands)						A. BUDGET SUBMISSION FY 1995 OSD/OMB Submission	
B. Component/Business Area/Date		C. Line No. & Item Description		D. Activity Identification			
USAF/Depot Maintenance/Oct 93		VXI Automated Test System (Replacement)		SA-ALC			
		FY 1993		FY 1994		FY 1995	
Element of Cost		Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost
VXI Automated Test System					1	1270	1270

Justification:

This project will replace one existing GR1792 and nine associated test program sets (TPSS) with advanced commercial automated test equipment that is readily maintainable, hardware expandable, and does not require extensive programming skills for TPS development. The new replacement test system will meet USAF Automated Test Systems Integrated Weapon System Management (IWSM) standard family criteria that includes standardization, general purpose, flexible architecture system, commercial industry standards, and adaptable to a wide range of mission requirements.

Impact if not Provided:

The existing tester is over fifteen years old and is obsolete and no longer manufactured. New replacement test equipment is required to support the existing weapon system repair workload. Without the replacement equipment, the maintenance and repair of the F-15 and F-16 support equipment electronic systems will be severely impacted. Manual repair and fault isolation procedures will need to be implemented which will result in unacceptable repair turn around times and repair costs.

UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION (Dollars in Thousands)				A. BUDGET SUBMISSION FY 1995 OSD/OMB Submission			
B. Component/Business Area/Date	C. Line No. & Item Description	D. Activity Identification					
USAF/Depot Maintenance/Oct 93	Computer Numerical Control (CNC) Fastener System (Productivity)	WR-ALC					
Element of Cost	FY 1993			FY 1994			FY 1995
	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	Unit Cost
CNC Fastener System				1	4500	4500	

Impact if not provided:

Without this machine, assembly of flight control components will continue to be accomplished manually which is not competitive. The current manual method does not provide the consistency and quality of the automated system. If the project is not provided the manual method will be continued at a higher cost and the potential savings of automation will no be realized.

An economic analysis of this project indicates an annual savings of \$1,322,119 with a payback in 3.4 years.

DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE

UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION (Dollars in Thousands)						A. BUDGET SUBMISSION FY 1995 OSD/OMB Submission	
B. Component/Business Area/Date	C. Line No. & Item Description	D. Activity Identification					
USAF/Depot Maintenance/Oct 93	Automated Test Equipment (ATE) Computer System Upgrade (Replacement)	WR-ALC					
			FY 1994		FY 1995		
Element of Cost	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	
ATE Computer System Upgrade				1	812	812	

Narrative Justification:

The project upgrades the gyro shop computer system for ATE. An antiquated computer will be replaced with modern technology to increase maintainability of the computer system for the ATE area. The computer system will control ATE equipment (3-axis motion simulators) during maintenance and repair of gyroscopes.

Impact if not provided:

The current system is 1970s' technology and is difficult to maintain. Maintenance of equipment will become an increasing problem due to the age of the equipment. Productivity will also be negatively affected. Computer technology has advanced tremendously since the current system's procurement. Components of the current system have been cannibalized for parts to repair other components of the system. Some repair parts are available only as remanufactured or used salvage parts. Failures could possibly render the ATE area mission incapable in the near future when repair parts become completely unavailable.

**DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE**

UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION (Dollars in Thousands)				A. BUDGET SUBMISSION FY 1995 OSD/OMB Submission		
B. Component/Business Area/Date	C. Line No. & Item Description		D. Activity Identification			
USAF/Depot Maintenance/Oct 93	Automated Test Equipment (ATE) Computer System Upgrade (Replacement)		WR-ALC			
Element of Cost	FY 1993			FY 1994		
	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost
ATE Computer System Upgrade				1	812	812

The project upgrades the gyro shop computer system for ATE. An antiquated computer will be replaced with modern technology to increase maintainability of the computer system for the ATE area. The computer system will control ATE equipment (3-axis motion simulators) during maintenance and repair of gyroscopes.

Impact if not provided:

The current system is 1970s' technology and is difficult to maintain. Maintenance of equipment will become an increasing problem due to the age of the equipment. Productivity will also be negatively affected. Computer technology has advanced tremendously since the current system's procurement. Components of the current system have been cannibalized for parts to repair other components of the system. Some repair parts are available only as remanufactured or used salvage parts. Failures could possibly render the ATE area mission incapable in the near future when repair parts become completely unavailable.

UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION (Dollars in Thousands)										A. BUDGET SUBMISSION FY 1995 OSD/OMB Submission	
B. Component/Business Area/Date		C. Line No. & Item Description			D. Activity Identification			FY 1995			
USAF/Depot Maintenance/Oct 93		Computer Numerical Control (CNC) Fastener System (Productivity)			WR-ALC						
		FY 1993			FY 1994			FY 1995			
Element of Cost		Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	
CNC Fastener System					1	4500	4500				

Justification:

This project is an automatic fastener system, including a 5-axis CNC work piece positioning system, capable of clamping, drilling, countersinking, inserting adhesive positioning, placement of fastener and clinching of the fastener. This project will replace the current labor intensive manual method; the hole is manually drilled, manually countersinked, manually deburred and cored, then manually placed into position and manually clinched.

Impact if not provided:

Without this machine, assembly of flight control components will continue to be accomplished manually which is not competitive. The current manual method does not provide the consistency and quality of the automated system. If the project is not provided the manual method will be continued at a higher cost and the potential savings of automation will not be realized.

An economic analysis of this project indicates an annual savings of \$1,322,119 with a payback in 3.4 years.

FY 1995 BUDGET ESTIMATE

UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION (Dollars in Thousands)										A. BUDGET SUBMISSION FY 1995 OSD/OMB Submission	
B. Component/Business Area/Date		C. Line No. & Item Description			D. Activity Identification						
USAF/Depot Maintenance/Oct 93		VXI Automated Test System (Replacement)			SA-ALC						
		FY 1993			FY 1994			FY 1995			
Element of Cost		Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	
VXI Automated Test System					1	1270	1270				

Justification:

This project will replace one existing GR1792 and nine associated test program sets (TPSS) with advanced commercial automated test equipment that is readily maintainable, hardware expandable, and does not require extensive programming for TPS development. The new replacement test system will meet USAF Automated Test Systems Integrated Weapon System Management (IWSM) standard family criteria that includes standardization, general purpose, flexible architecture system, commercial industry standards, and adaptable to a wide range of mission requirements.

Impact if not Provided:

The existing tester is over fifteen years old and is obsolete and no longer manufactured. New replacement test equipment is required to support the existing weapon system repair workload. Without the replacement equipment, the maintenance and repair of the F-5 and F-16 support equipment electronic systems will be severely impacted. Manual repair and fault isolation procedures will need to be implemented which will result in unacceptable repair turn around times and repair costs.

**DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE**

UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION (Dollars in Thousands)										A. BUDGET SUBMISSION FY 1995 OSD/OMB Submission	
B. Component/Business Area/Date		C. Line No. & Item Description			D. Activity Identification						
USAF/Depot Maintenance/Oct 93		Analog Digital Automated Test System (ADATS) (Replacement)			SA-ALC						
		FY 1993			FY 1994			FY 1995			
Element of Cost		Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	
ADATS					1	937	937				
<p>This project will replace one existing Bendix 320 and nine associated test program sets (TPSS) with advanced commercial automated test equipment that is readily maintainable, hardware expandable, and does not require extensive programming skills for TPS development. The new automated test equipment will assure continued F-15 AIS repair capability. The new replacement test system will meet USAF Automated Test Systems Integrated Weapon System Management (IWSM) standard family criteria that includes standardization, general purpose, flexible architecture system, commercial industry standards, and adaptable to a wide range of mission requirements.</p> <p>Impact if not Provided:</p> <p>The existing tester is over ten years old and is obsolete and no longer manufactured. New replacement test equipment is required to support the existing weapon system repair workload. Without the replacement equipment, the maintenance and repair of the F-15 and F-16 support equipment electronic systems will be severely impacted. Manual repair and fault isolation procedures will need to be implemented which will result in unacceptable repair turn around times and repair costs.</p>											

DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE

UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION (Dollars in Thousands)					A. BUDGET SUBMISSION FY 1995 OSD/OMB Submission	
B. Component/Business Area/Date		C. Line No. & Item Description		D. Activity Identification		
USAF/Depot Maintenance/Oct 93		Infrared Camera (Productivity)		SM-ALC		
		FY 1993		FY 1994		
Element of Cost	Qty	Unit Cost	Total Cost	Qty	Unit Cost	
Infrared Camera	1	500	500			
<p>Native Justification:</p> <p>Purchase an infrared camera for integration with software and equipment to be developed by the Air Force REPTech office under existing contract. This system will be used to perform field level diagnostic test 1 array antennas to isolate performance of individual phase shifters. Funding is for off the shelf components not funded under the guidelines of the REPTech program. Projected annual savings are \$223,629 with a payback period of 2.24 years.</p> <p>Impact if not provided:</p> <p>REPTech contract will not be able to be completed without this funding. In addition, without this capability, the Air Force will continue to send large ground based phased array antennas back to the depot when field repair could be possible.</p>						

**DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE**

UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION (Dollars in Thousands)										A. BUDGET SUBMISSION FY 1995 OSD/OMB Submission	
B. Component/Business Area/Date		C. Line No. & Item Description			D. Activity Identification					OC-ALC	
USAF/Depot Maintenance/Oct 93		Avionics Test Station (Replacement)									
		FY 1993			FY 1994			FY 1995			Total Cost
Element of Cost		Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	
Avionics Test Station					3	300	900				

This project replaces three ancient and unsupportable automatic test equipment with state-of-the-art VXI Technology Testers. The current test stations have a history of unreliability and two of them have been down for repair for approximately 1 year. Current indications from the manufacturers lead to the belief that parts supportability will be decreasing considerably in the future. Current work around procedures involve send parts to an alternate ALC on temporary work orders until they can be repaired. The multiple application capability of the new testers will improve supportability due to operation of like systems and provide the ability to move workload to a second tester when one is down for maintenance and calibration.

Impact if Not Provided:

OC-ALC will have to continue to bare the expense of current methods of routing items to an alternate ALC. Current test stations will continue to experience considerable down time and will eventually become inoperable.

DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE

UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION (Dollars in Thousands)							A. BUDGET SUBMISSION FY 1995 OSD/OMB Submission			
B. Component/Business Area/Date		C. Line No. & Item Description			D. Activity Identification					
USAF/Depot Maintenance/Oct 93		FY88 MILCON Program. Advanced Fuel Accessories Test Facility IOE (Replace)			SA-ALC					
		FY 1993			FY 1994			FY 1995		
Element of Cost		Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost
Advanced Fuel Accessories Test System		1	N/A	12000	1	N/A	13500			

Justification of the Request:

This project will purchase Initial Outfitting Equipment for the Military Construction Project, FY88 Advanced Fuel Accessories Test Facility. This system will replace obsolete existing test stands which are becoming unsupportable, since replacement parts are no longer available. The new system will incorporate generic test stands which, with adaptors to connect the test stands and the fuel pumps being tested, will be able to test any type workload.

The equipment was economically justified IAW AFLCR 78-3 with an annual savings of approximately \$4M. Savings will primarily be derived from improvements in manpower effectiveness, operating and maintenance and repair costs. A base contract, for initial capability, was awarded in FY91, with options for the remainder of equipment. FY93 and FY94 funding is for exercising options for additional capability. Delayed funding will cause loss of contract option, necessitating another complete procurement or renegotiating a price.

DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE

FY 1995 BUDGET ESTIMATE

UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION (Dollars in Thousands)					A. BUDGET SUBMISSION FY 1995 OSD/OMB Submission					
B. Component/Business Area/Date USAF/Depot Maintenance/Oct 93	C. Line No. & Item Description Aquamizers for C-141 Paint Removal (Replacement)		D. Activity Identification WR-ALC			Total Cost	Unit Cost	Qty	Total Cost	
	FY 1993		FY 1994							
Element of Cost	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	Total Cost	Unit Cost	Qty	Total Cost
Aquamizers				10	130	1300				

HAZARDOUS WASTE MINIMIZATION REQUIREMENT (WASTE MINIMIZATION CAPITALIZATION ACCOUNT)

Narrative Justification:

This project provides for the purchase and installation of, medium pressure (15,000 psi) water with/without bicarbonate of soda, paint removal systems for the C-141 aircraft. The system will be integrated into an existing hangar and replace an existing chemical strip system.

Impact if not provided:

Chemical stripping of C-141 aircraft will continue, producing hazardous waste and contributing to high levels of air toxins and carcinogens. There will be a possibility for a Clean Air Act violation for banning hazardous air pollutants during aircraft depaint, effective 1997.

**DEFENSE BUSINESS OPERATIONS AND - AIR FORCE
FY 1995 BUDGET ESTIMATE**

UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION (Dollars in Thousands)							A. BUDGET SUBMISSION FY 1995 OSD/OMB Submission		
B. Component/Business Area/Date		C. Line No. & Item Description			D. Activity Identification				
USAF/Depot Maintenance/Oct 93		A/M32C-5 Electric Air Conditioners (Replacement)			OC-ALC				
Element of Cost	FY 1993			FY 1994			FY 1995		
	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost
A/M32C-5 Electric Air Conditioners				16	39	630			

POLLUTION PREVENTION PROGRAM PROJECT (ELIMINATION OF OZONE DEPLETING CHEMICALS)

Narrative Justification:

Replacing sixteen (16) A/M32C-5 electric air conditioners used to support the B-52 and C/KC-1235 aircraft programmed depot maintenance operations. These units provide environmental control for fuel systems work in enclosed areas and are required for support of annual workloads of 50 C-135 aircraft and 21-22 B-52 aircraft. Existing units have many obsolete parts and the manufacturer no longer supports these models. All existing freon type air conditioners in OC-ALC/LAP are considered terminal, obsolete, and unsupportable. The requested replacement air conditioners are the non-polluting refrigerant type (R134A) required by the Clean Air Act of 1990.

Impact if not provided:

All OC-ALC air conditioners are becoming unsupportable. As of Jun 93, new freon can not be purchased to support any air conditioning units. Used freon will be available but can not always be cleaned back to specification limits. Without the new air conditioners, current levels of workload could not be supported.

DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE

UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION (Dollars in Thousands)						A. BUDGET SUBMISSION FY 1995 OSD/OMB Submission					
B. Component/Business Area/Date USAF/Depot Maintenance/Oct 93	C. Line No. & Item Description Avionics Software Maintenance System (ASMS) (Replacement)	D. Activity Identification WR-ALC	FY 1993			FY 1994		FY 1995			
			Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost
ASMS						3	360	1080			
<p>Justification:</p> <p>The ASMS will replace obsolete hardware and software compatible with embedded weapons system computers. Operational flight programs are currently written or modified and tested using hardware and software which is obsolete, slow, and not necessarily fully compatible with the weapons system which will use the programs.</p> <p>Impact if not provided:</p> <p>Existing equipment and software is no longer supportable, so downtime will increase in both frequency and duration. Existing hardware is not identical to weapon system computers, so software which is ran successfully in development may not work in the aircraft as designed.</p>											

**DEFENSE BUSINESS OPERATIONS - AIR FORCE
FY 1995 BUDGET ESTIMATE**

UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION (Dollars in Thousands)										A. BUDGET SUBMISSION FY 1995 OSD/OMB Submission	
B. Component/Business Area/Date		C. Line No. & Item Description			D. Activity Identification						
USAF/Depot Maintenance/Oct 93		Computer Numerical Control (CNC) Five-Axis Machining Center (Productivity)			WR-ALC						
		FY 1993			FY 1994			FY 1995			
Element of Cost		Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	
Machining Center 5-axis					1	600	600				
<p>Qualitative Justification:</p> <p>The machining center is required to perform milling, drilling, contouring, tapping, etc., operations with five-axis simultaneous computer numerical control. This project is required for the machining of complex aircraft components.</p> <p>Impact if not provided:</p> <p>Backlogs on our present four and five axis machining centers are driving lead times up for complex parts. If this machine is not provided, these backlogs will continue, leading to excessive flowtime for aircraft components.</p> <p>An economic analysis of this project indicates an annual savings of \$348,529 with a payback in 1.7 years.</p>											

**DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE**

UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION (Dollars in Thousands)										A. BUDGET SUBMISSION FY 1995 OSD/OMB Submission	
B. Component/Business Area/Date		C. Line No. & Item Description		D. Activity Identification							
USAF/Depot Maintenance/Oct 93		Ion Vapor Deposition (IVD) Coating System (Replacement)		OC-ALC							
		FY 1993		FY 1994		FY 1995					
Element of Cost		Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	
IVD System					1	650	650				
<p>POLLUTION PREVENTION PROGRAM PROJECT</p> <p>Narrative Justification:</p> <p>The IVD system will be used for applying a corrosion resistant aluminum coating to steel Turbine Jet Engine Aircraft hardware. The system consists of a coating chamber, vacuum pumps, and other electronic controls to perform the IVD process. This process will eliminate the need for cadmium and nickel cadmium plating.</p> <p>Impact if not provided:</p> <p>The Aircraft and Propulsion directorates at OC-ALC will not have environmentally approved capacity for coating aircraft parts and will not meet EPA 17 reduction goals and environmental standards.</p>											

**DEFENSE BUSINESS OPERATIONS AND - AIR FORCE
FY 1995 BUDGET ESTIMATE**

UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION (Dollars in Thousands)										A. BUDGET SUBMISSION FY 1995 OSD/OMB Submission	
B. Component/Business Area/Date		C. Line No. & Item Description		D. Activity Identification							
USAF/Depot Maintenance/Oct 93		C-130 Wing Work Stand (Productivity)		WR-ALC							
		FY 1993			FY 1994			FY 1995			
Element of Cost		Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	
C-130 Wing Work Stand					4	300	1200	3	300	900	
<p>Narrative Justification:</p> <p>These wing stands will provide access to aircraft during the repair process, and fall protection for personnel working on the aircraft.</p> <p>Impact if not provided:</p> <p>Continued reliance on support equipment which does not provide fall protection and also requires numerous repositionings to work the aircraft.</p>											

**DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE**

UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION (Dollars in Thousands)						A. BUDGET SUBMISSION FY 1995 OSD/OMB Submission			
B. Component/Business Area/Date	C. Line No. & Item Description	D. Activity Identification				SM-ALC			
USAF/Depot Maintenance/Oct 93	Jet Engine Test Cell (Replacement)								
		FY 1993			FY 1994			FY 1995	
Element of Cost	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost
Jet Engine Test Cell				1	3000	3000	1	3000	3000

Justification:

This project will provide two mountable jet engine test cells to test uninstalled Jet Engines (TF-33, TF-30, F-100/200, F-108, TF-34, CF-100, J-57, 404) with an overhead test fixture, control room, and air cooled augmentor tube. This project will support the F-111, KC-135, F-15, A-7, and A-10 aircraft.

Impact if not provided:

The current operation for testing engines is in Bldg 431. Building 431 is at the end of its economic life and on the verge of structural failure. Replacement is required to allow testing of engines to continue uninterrupted or pose a work stoppage.

**DEFENSE BUSINESS OPERATIONS - AND - AIR FORCE
FY 1995 BUDGET ESTIMATE**

UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION (Dollars in Thousands)										A. BUDGET SUBMISSION FY 1995 OSD/OMB Submission	
B. Component/Business Area/Date		C. Line No. & Item Description			D. Activity Identification						
USAF/Depot Maintenance/Oct 93		Automated Test Stand, Medium Pressure (Replacement)			OC-ALC						
		FY 1993			FY 1994			FY 1995			
Element of Cost		Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	
Automated Test Stand, Medium Pressure					1	1850	1850	1	1850	1850	
<p>Narrative Justification:</p> <p>Replace five existing component test stands in FY94 and three in FY95 with two medium pressure, automated, generic test stands. The FY94 purchase will have five test program sets (TPS) capability, the FY95 will have ten TPS capability. The existing stands range is age from 12 to 44 years, three of the current stands have been used heavily in multiple shifts, while the other five older machine are underutilized, and contain obsolete replacement parts. All machines exceed their economic life.</p> <p>Impact if Not Provided:</p> <p>If these stands are not purchased OC-ALC will have to refurbish or replace them one for one and turn them in when the workload leaves. It is more feasible to replace these stands with generic stands which could easily test components in the future in support of new or additional workloads.</p>											

**DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE**

UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION (Dollars in Thousands)										A. BUDGET SUBMISSION FY 1995 OSD/OMB Submission	
B. Component/Business Area/Date		C. Line No. & Item Description			D. Activity Identification						
USAF/Depot Maintenance/Oct 93		FY94 MILCON Program. ADAL NDI/XRAY Facility IOE (Replacement)			SA-ALC						
		FY 1993			FY 1994			FY 1995			
Element of Cost		Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	
								N/A	N/A	3800	
<p>Narrative Justification:</p> <p>This project includes all IOE for the FY94 MILCON to add/alter the existing NDI/XRAY facility at SA-ALC. The 1942 vintage existing hangar is be upgraded to meet current industry and safety standards. The MILCON project will also provide an addition which will allow an entire cargo size aircraft to be fully enclosed within the hangar. The IOE equipment includes a laser shearography system, an automated ultrasonic squirter system, an automated fluorescent penetrant system, a telecrane work platform system, and an X-ray positioning system. Presently, lighting is poor, storm drainage can not support the AFFF system, inspection equipment must be positioned by hand, and the tail section of the C-5 and C-17 aircrafts extend outside the hangar.</p> <p>Impact if not provided:</p> <p>Inspection workloads cannot be accomplished until space becomes available within the primary maintenance hangar. This constraint impairs the ability to perform maintenance and inspection requirements on assigned C-5 and C-17 aircraft concurrent with the programmed depot maintenance schedule resulting in delays of aircraft to the customers.</p>											

FY 1995 BUDGET ESTIMATE

UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION (Dollars in Thousands)										A. BUDGET SUBMISSION FY 1995 OSD/OMB Submission	
B. Component/Business Area/Date		C. Line No. & Item Description			D. Activity Identification						
USAF/Depot Maintenance/Oct 93		Cargo Aircraft Robotic Painting System (CARPS) (Productivity)			SA-ALC						
		FY 1993			FY 1994			FY 1995			
Element of Cost		Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	
CARPS								1	9000	9000	
<p>Justification:</p> <p>The robotic paint system will be fitted to the existing paint hangar at SA-ALC. The system will provide automated coatings application to the C-5, C-17 and any other smaller aircraft requiring paint. The system will be designed for 80% minimum coverage on the C-5 aircraft and for uniform coating applications with the use of off line programming. Economic benefit is a savings of 45,840 manhours per year which equates to \$2,880,000 annually.</p> <p>Impact if not provided:</p> <p>Continued manual coating applications resulting in personnel having excessive consumption of toxic chemicals and prolonged exposure to a hazardous environment. The painting process will remain highly labor intensive versus making use of the existing/available technologies.</p>											

FY 1995 BUDGET ESTIMATE

UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION (Dollars in Thousands)						A. BUDGET SUBMISSION FY 1995 OSD/OMB Submission	
B. Component/Business Area/Date	C. Line No. & Item Description	D. Activity Identification				SA-ALC	
USAF/Depot Maintenance/Oct 93	Compressor System (Replacement)	FY 1993			FY 1994		FY 1995
		Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost
Element of Cost							
Compressor System						1	4000
<p>Justification:</p> <p>The compressed air system will consist of two 4500 cfm centrifugal air compressors (electrically driven). The system will include one natural gas fired heater capable of flowing 9000 cfm at 1000 degrees fahrenheit. The current system does not provide adequate flow to air test cells and does not provide temperature requirement for the testing of pneudraulic valves. This system will replace the current inadequate system which has reached the end of its useful life.</p> <p>Impact if not provided:</p> <p>The current system is cost prohibitive to operate since all of the required service data is proprietary in nature. The sole source vendor has a service contract to provide on site support and must be used for all repairs and upkeep. The annual service cost is currently over \$200,000. There will be no capability for testing pneudraulic valves which requires hot compressed air.</p>							

DEFENSE BUSINESS OPERATIONS - AIR FORCE
1995 BUDGET ESTIMATE

F BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION (Dollars in Thousands)					A. BUDGET SUBMISSION FY 1995 OSD/OMB Submission	
B. Component/Business Area/Date USAF/Depot Maintenance/Oct 93	C. Line No. & Item Description Water Jet Cleaning System (Replacement)	D. Activity Identification SA-ALC				
Element of Cost Water Jet Cleaning System	FY 1993			FY 1994		FY 1995
	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost
				1	600	600

HAZARDOUS WASTE MINIMIZATION REQUIREMENT (WASTE MINIMIZATION CAPITALIZATION ACCOUNT)

Narrative Justification:

The water jet cleaning system will remove metal spray, paint, plating and rubber coatings from jet engine parts. This water jet process offers cleaning with no parent metal removal, a reduction in re-face structures and a significant reduction in processing time over conventional blast booths using plastic, aluminum oxide, walnut or glass bead blast media. Advantages to chemical cleaning is significant reductions in use of toxic chemicals and resulting hazardous waste.

Impact if not provided:

Current toxic chemicals used in stripping processes are being removed from the Air Force inventory due to environmental considerations. As this happens, chemically stripped workloads will be shifted to conventional blast booths which are already experiencing excess downtime due to age and overuse. Hazardous waste generation from toxic cleaning will continue.

**DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE**

UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION (Dollars in Thousands)							A. BUDGET SUBMISSION FY 1995 OSD/OMB Submission		
B. Component/Business Area/Date	C. Line No. & Item Description	D. Activity Identification							
USAF/Depot Maintenance/Oct 93	Large Aircraft Robotic Paint Stripping II (LARPS II) (Productivity)	OC-ALC							
				FY 1994			FY 1995		
Element of Cost	Qty	FY 1993		FY 1994		FY 1995		Total Cost	
		Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	Qty		Unit Cost
LARPS II							1	2200	2200
<p>HAZARDOUS WASTE MINIMIZATION REQUIREMENT (WASTE MINIMIZATION CAPITALIZATION ACCOUNT)</p> <p>Narrative Justification:</p> <p>This project will purchase and install a second LARPS robot to support aircraft paint stripping at OC-ALC. The original LARPS robot cannot depaint all of OC-ALC's B-1b and C/KC-135 aircraft paint strip workload. The second robot will increase aircraft throughput by 50 percent and virtually eliminate the need for chemical paint removal on these weapon systems. The new robot will interface with the original LARPS system and will require minimal software and facility changes.</p> <p>Impact if not provided:</p> <p>Increasing environmental restrictions will significantly increase the cost of current chemical processes and impair capabilities to depaint aircraft. If this project is not funded we will be forced to chemically strip excess B-1b and KC-135 aircraft due to an existing capacity shortfall with the original LARPS system.</p> <p>An economic analysis of this project indicates a projected annual savings of \$706,108.</p>									

**DEFENSE BUSINESS OPERATIONS AND - AIR FORCE
FY 1995 BUDGET ESTIMATE**

UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION (Dollars in Thousands)		A. BUDGET SUBMISSION FY 1995 OSD/OMB Submission				
B. Component/Business Area/Date	C. Line No. & Item Description	D. Activity Identification				
USAF/Depot Maintenance/Oct 93	Interface Test Adapters (ITA) (Productivity)	OO-ALC				
		FY 1995				
Element of Cost	FY 1993		FY 1994			
	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost
ITA				30	25	750

Justification:

These ITAs are required for use on the 205-B Electronic Test Station. This tests station and ITAs on site at DET-35 will provide a tremendous amount of repair capability to the PACAF theater. The ITAs will provide a more timely repair process and a faster turnaround of the assets by providing in theater repair. Thereby, greatly enhancing operational readiness and sustainability of the combat forces in the Pacific.

Impact if not provided:

The major impact if this project is not funded would be the inability to test assets on the ALR-56C and ALR-56M EW systems. Both systems are in the PACAF weapon system inventory and are crucial to mission accomplishments. Other system assets that are tested using these ITAs would also be jeopardized due to the fact that items that are normally tested using the ITAs would have to be routed to the stateside depot for repair. This would impact the PACAF mission capability and also decrease DET-35 ability to provide the necessary support that PACAF requires.

**DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE**

UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION (Dollars in Thousands)		A. BUDGET SUBMISSION FY 1995 OSD/OMB Submission	
B. Component/Business Area/Date	C. Line No. & Item Description	D. Activity Identification	
USAF/Depot Maintenance/Oct 93	Fluidized Bed (Productivity)	SM-ALC	
		FY 1995	
		FY 1994	
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**DEFENSE BUSINESS OPERATIONS - AIR FORCE
FY 1995 BUDGET ESTIMATE**

UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION (Dollars in Thousands)										A. BUDGET SUBMISSION FY 1995 OSD/OMB Submission	
B. Component/Business Area/Date		C. Line No. & Item Description			D. Activity Identification						
USAF/Depot Maintenance/Oct 93		Hydraulic Press (Productivity)			SM-ALC						
Element of Cost		FY 1993			FY 1994			FY 1995			
		Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	
Hydraulic Press								1	1500	1500	
<p>Justification:</p> <p>This project will provide up-to-date sheetmetal forming capability for large aircraft parts including skins, doors, and panel covers. This project will support A-10, F-111, F-15, F-117A, KC-135, T-38 and B-52 aircraft.</p> <p>Impact if not provided:</p> <p>SM-ALC will be forced to continue utilizing antiquated equipment. This will restrict their capability for process improvements, decreased flowdays and overall cost reductions to the customer. Utilizing the current equipment will interface with their ability to compete in this area.</p>											

DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE

UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION (Dollars in Thousands)										A. BUDGET SUBMISSION FY 1995 OSD/OMB Submission	
B. Component/Business Area/Date		C. Line No. & Item Description				D. Activity Identification				AFMC	
USAF/Depot Maintenance/Oct 93		All Equipment Under \$.5M									
Element of Cost		FY 1993			FY 1994			FY 1995			
		Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	
Replacement		90	NA	5600	230	NA	20660	133	NA	13125	
Productivity		35	NA	5600	111	NA	11654	61	NA	5875	
New Mission		10	NA	2900	9	NA	1336	0	NA	0	
Subtotal		135	NA	14100	350	NA	33650	194	NA	19000	
<p>Justification:</p> <p>This category includes a vast array of equipment required to support depot maintenance industrial processes. Equipment included is essential to AFMC's ongoing effort to maintain and modernize an enormous industrial base, save taxpayer dollars through increased productivity and to support customer requirements. Each piece of equipment will contribute to improving a testing, inspecting, cleaning, coating, bonding, grinding, forming or some other industrial operation which when combined will improve efficiency, enhance product quality and increase customer satisfaction. Examples include lathes, milling machines, grinding machines, boring machines, arc welders, heat treating equipment, parts cleaning equipment, non-destructive inspection equipment, automatic test equipment, circuit card repair, plating equipment, dimensional measuring equipment, and laboratory analysis equipment. This category also supports waste minimization efforts with twenty projects in FY94 totaling \$3.556M. This category also supports pollution prevention projects from the approved SECDEF FY94/97 POM. Thirty-five projects in FY94 totaling approximately \$5M and one project in FY95 totaling \$200K are included in this submission. Note that in the equipment greater than \$.5M there are five pollution prevention projects in FY94 totaling \$7.2M. Additionally, in the equipment greater than \$.5M there are five hazardous waste minimization projects in FY94 totaling \$19.582M and two projects in FY95 totaling \$2.8M. Projects included in the hazardous waste minimization and pollution prevention program are identified with an asterisk.</p>											

DEFENSE BUSINESS OPERATIONS - AIR FORCE

FY 1995 BUDGET ESTIMATE

UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION
(Dollars in Thousands)

B. Component/Business Area/Date		C. Line No. & Item Description		D. Activity Identification				A. BUDGET SUBMISSION	
USAF/Depot Maintenance/Oct 93		All Equipment Under \$.5M		AGMC				FY1995 OSD/OMB Submission	
Element of Cost		FY 1993			FY 1994			FY 1995	
		Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	Qty	Unit Cost
Upd Wave Disper Scan (productivity)					1	70	70		
Signal Generator (productivity)					2	40	80		
Signal Generator (productivity)					2	58	116		
Microwave Downconverter (productivity)					2	25	50		
Thread Measuring Machine (productivity)					1	180	180		
Watch Ap. Tool Clean Sys* (productivity)					1	25	25		
Sig Generator Test Sys (productivity)					1	30	30		
Attenuator Calibrate Sys (productivity)					1	70	70		
Dig Sig Processing Sys (productivity)								1	180
								1	180
								1	130
AGMC CATEGORY TOTALS							621.0		490.0

DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE

FY 1995 BUDGET ESTIMATE UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION (Dollars in Thousands)			A. BUDGET SUBMISSION FY1995 OSD/OMB Submission		
B. Component/Business Area/Date	C. Line No. & Item Description	D. Activity Identification			
USAF/Depot Maintenance/Oct 93	All Equipment Under \$.5M	AMARC			
Element of Cost	FY 1993			FY 1994	
	Qty	Unit Cost	Total Cost	Qty	Total Cost
X-Ray Tubehead (replacement)	1	80	80		
Forklift, 15K (replacement)	3	81	243		
Box Machine, Automatic (replacement)	1	180	180		
Generator Set, Diesel (replacement)	1	28.6	28.6		
Truck, Tract 10 Ton (replacement)	1	60	60		
MP 4 1/2 Ton (replacement)	2	31.3	62.6		
Truck Fuel P11 (replacement)	1	35.7	35.7		
Test Set, Direct (replacement)	2	117.9	235.8		
Truck, S-P (1 1/2 Ton) (replacement)	1	27.5	27.5		
Flourescence Analyzer* (replacement)	1	16.2	16.2		
Solv Recovery Dist Sys* (productivity)	1	25	25		
High Press Clean Equip* (replacement)	2	27.5	55		
Air Conditioner* (replacement)	1	55	55		
High Press Clean Equip* (replacement)	1	35.2	35.2		
Air Conditioner* (replacement)	2	55	110		
Air Conditioner* (replacement)	2	35.2	70.4		

DEFENSE BUSINESS OPERATIONS AND - AIR FORCE

FY 1995 BUDGET ESTIMATE UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION (Dollars in Thousands)

FY 1995 BUDGET ESTIMATE										
UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION										
(Dollars in Thousands)										
B. Component/Business Area/Date		C. Line No. & Item Description			D. Activity Identification			A. BUDGET SUBMISSION		
USAF/Depot Maintenance/Oct 93		All Equipment Under \$.5M			AMARC			FY1995 OSD/OMB Submission		
Element of Cost		FY 1993			FY 1994			FY 1995		
		Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost
Generator Set (replacement)								2	28.6	57.2
Test, Pitot & Static Sys (replacement)								1	30	30
Farm Tractor (replacement)								1	26	26
15K Forklift (replacement)								1	81.3	81.3
Nitrogen Servicing Unit (replacement)								1	27	27
R11 Fuel Truck (replacement)								1	117.9	117.9
Generator Set (replacement)								2	28.6	57.2
AMARC CATEGORY TOTALS							1320.0			396.6

DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE

FY 1995 BUDGET ESTIMATE
UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION
(Dollars in Thousands)

FY 1995 BUDGET ESTIMATE UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION (Dollars in Thousands)										A. BUDGET SUBMISSION FY1995 OSD/OMB Submission	
B. Component/Business Area/Date		C. Line No. & Item Description			D. Activity Identification						
USAF/Depot Maintenance/Oct 93		All Equipment Under \$.5M			OC-ALC						
Element of Cost		FY 1993			FY 1994			FY 1995			
		Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	
Environmental Ctrl Booth (replacement)					5	50	250				
IPE-Scanning System (replacement)					1	125	125				
System Mass Spectrometer (replacement)					1	228	228				
CMM Controller Upgrade (replacement)					1	40	40				
Emission Spectrograph ((replacement)					1	200	200				
Image Storage & Retrieval System (replacement)					1	40	40				
Measurement System (replacement)					2	50	100				
JOAP Portable Instrument (productivity)					1	50	50				
VAX Clust Downsize (ATE) (replacement)					1	490	490				
Milling Machine, 4-Axis (replacement)					2	475	950				
Ion Chromatograph (new mission)					1	83	83				
IPE Analysis System, PVAS (productivity)					1	280	280				
Ion Chromatograph (productivity)					1	67	67				
Borescope Video Analyzer (productivity)					1	26	26				
Cent Vacuum Sys (B95) (replacement)					5	50	250				

DEFENSE BUSINESS OPERATIONS - AIR FORCE

A. BUDGET SUBMISSION
FY1995
OSD/OMB SubmissionFY 1995 BUDGET ESTIMATE
UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION
(Dollars in Thousands)

B. Component/Business Area/Date	C. Line No. & Item Description All Equipment Under \$.5M	FY 1993			FY 1994			FY 1995		
		Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost
USAF/Depot Maintenance/Oct 93										
	Element of Cost									
	Hydrogen Determinator (new mission)	1	70	70						
	Cent Vacuum Sys (B2121) (replacement)	2	60	120						
	CNC Grinder (new mission)	2	149	298						
	Upgd Grind Shop, Meas Eq (productivity)	1	469.9	469.9						
	Ram Flat Compactor (replacement)	1	35	35						
	RAM Flat Compactor (replacement)	2	200	400						
	RAM Flat Compactor (replacement)	1	35	35						
	RAM Flat Compactor (replacement)	1	35	35						
	RAM Flat Compactor (replacement)	1	132.3	132.3						
	Material Shredder (replacement)	2	220	440						
	Liquid Cool Sys Cooler* (replacement)	1	60	60						
	Ultrasonic Cleaning Sys* (productivity)	1	50	50						
	Air Accessories Press Spry Wash* (replacement)	1	200	200						
	Cold Vaporization* (replacement)	1	45	45						
	BOSS II* (replacement)	1	50	50						
	Pressure Spray Washer* (replacement)	5	30	150						
	Demand Oxygen Regulator System (replacement)									

FY 1995 BUDGET ESTIMATE UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION (Dollars in Thousands)							A. BUDGET SUBMISSION FY1995 OSD/OMB Submission	
B. Component/Business Area/Date		C. Line No. & Item Description			D. Activity Identification			
USAF/Depot Maintenance/Oct 93		All Equipment Under \$.5M			OC-ALC			
Element of Cost	FY 1993			FY 1995				
	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost		
TF-30 Strip Chart Record (replacement)				2	115	230		
Spectrum Analyzer (replacement)				2	80	160		
Atomic Absorp Spectro (productivity)				1	112	112		
Borescope Video Analyzer (productivity)				1	26	26		
Data Sys Upgd, Optic Comp (replacement)				1	30	30		
Hydrolytic Test Cell				4	30.2	120.8		
High Pressure Test Cell				1	150	150		
Supercrit Fluid Chromat (productivity)				1	156	156		
Power Test Set, PLA-PMC (productivity)				1	52.3	52.3		
Refurbish TF-30 Test St (replacement)				1	250	250		
Upgd Perkin Elmer Comp (productivity)				1	25	25		
Test Stand Generator (replacement)				1	19.8	19.8		
CNC Grinders (productivity)				2	149	298		
Data Sys Upgd, Optic Comp (replacement)				1	30	30		
Fourier Transform IR Spec (replacement)				1	175	175		

FY 1995 BUDGET ESTIMATE UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION (Dollars in Thousands)				A. BUDGET SUBMISSION FY1995 OSD/OMB Submission			
B. Component/Business Area/Date	C. Line No. & Item Description	D. Activity Identification					
USAF/Depot Maintenance/Oct 93	All Equipment Under \$.5M	OC-ALC					
Element of Cost	FY 1993			FY 1994			FY 1995
	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	Total Cost
IPE Chromatograph (replacement)							180
CNC Universal Mill Mach (replacement)							480
Stationary 300KV X-Ray (replacement)							70
Upgd Perkin Elmer Comp (productivity)							25
IPE Analysis Sys, PVAS (replacement)							275
HPL Chromatograph (productivity)							95
Ion Chromatograph (replacement)							75
LASS Power Unit (-95 Gas) (replacement)							485.4
E-3 Radome Test Set (replacement)							400
IPE Spectrometer (replacement)							55
CNC Grinder (replacement)							314.7
OC-ALC CATEGORY TOTALS			5769.2				4290.0

FY 1995 BUDGET ESTIMATE
UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION
(Dollars in Thousands)

B. Component/Business Area/Date			C. Line No. & Item Description			D. Activity Identification			A. BUDGET SUBMISSION		
USAF/Depot Maintenance/Oct 93			All Equipment Under \$.5M			OO-ALC			FY1995 OSD/OMB Submission		
Element of Cost			FY 1993			FY 1994			FY 1995		
			Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost
Hydrazine Detect System (productivity)						1	200	200			
Curve Tracer (replacement)						1	35	35			
Closed Circuit TV System (replacement)						1	26	26			
Spectrum Analyzer (replacement)						1	40	40			
Rebuild Box Oven (productivity)						1	55	55			
Rebuild Box Oven (productivity)						1	30.1	30.1			
Rebuild Box Oven (productivity)						1	26	26			
Rebuild Box Oven (productivity)						1	100	100			
Rebuild Box Oven (productivity)						2	17.4	34.8			
Rebuild Box Oven (productivity)						2	75	150			
Rebuild Box Oven (productivity)						2	80.9	161.8			
Rebuild Box Oven (productivity)						2	40	80			
Rebuild Box Oven (productivity)						2	27.9	55.8			
Rebuild Box Oven (productivity)						3	98	294			
Rebuild Box Oven (productivity)						1	25	25			

DEFENSE BUSINESS OPERATIONS - AIR FORCE

FY 1995 BUDGET ESTIMATE

UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION
(Dollars in Thousands)

A. BUDGET SUBMISSION
FY1995
OSD/OMB Submission

B. Component/Business Area/Date	C. Line No. & Item Description	FY 1993			FY 1994			FY 1995			D. Activity Identification
USAF/Depot Maintenance/Oct 93	All Equipment Under \$.5M	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	OO-ALC
Element of Cost											
CNC Turning Machine (replacement)					1	200	200				
Nitrogen Tank/Steam Vapor (replacement)					1	99.7	99.7				
Industrial X-Ray System (productivity)					1	50	50				
Bridgeport Mill (replacement)					2	30	60				
Uninterrupt Power Supply (productivity)					1	150	150				
...					1	80	80				
...					1	225	225				
Raised Floor/Air Cond (productivity)					1	100	100				
Press Transduce, Test Set (replacement)					1	65	65				
Decoder Test Station (replacement)					1	100	100				
Synthesized Sweeper (replacement)					1	32	32				
CNC Mill (replacement)					1	75	75				
Surveying Instrument (productivity)					1	85.8	85.8				
Test Set Universal (replacement)					1	39.9	39.9				
Oil Free Compressor (replacement)					1	100	100				

DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE

FY 1995 BUDGET ESTIMATE

UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION
(Dollars in Thousands)

B. Component/Business Area/Date		C. Line No. & Item Description		FY 1993			FY 1994			FY 1995			D. Activity Identification		A. BUDGET SUBMISSION	
USAF/Depot Maintenance/Oct 93		All Equipment Under \$.5M		Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	OO-ALC		FY1995 OSD/OMB Submission	
Element of Cost																
4-Axis CNC Milling Center (replacement)				1	100	100										
Test Set, Electric (productivity)				1	31.9	31.9										
Uninterrupt Power Supply (productivity)				1	250	250										
Data Collect Unit (productivity)				1	100	100										
Cradle, Ground Handling (productivity)				8	28.5	228										
Electrical Control (productivity)				2	33.8	67.6										
Electrical Control, Propulsion (productivity)				1	225	225										
Elec Control Insp Sys (productivity)				1	130	130										
Bandsaws (replacement)				1	55	55										
Hydraulic Press, 100 Ton (replacement)				1	60	60										
Fiber Optics Equipment (productivity)				1	200	200										
Environment Control Sys (productivity)				1	60	60										
AM32A-102 Generator (replacement)				1	283.7	283.7										
Industriever (productivity)				1	44	44										
High Pressure Test Stand (replacement)				1	288.6	288.6										

DEFENSE BUSINESS OPERATIONS AND - AIR FORCE

UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION
(Dollars in Thousands)

A. BUDGET SUBMISSION
FY1995
OSD/OMB Submission

B. Component/Business Area/Date	C. Line No. & Item Description	FY 1993			FY 1994			FY 1995			D. Activity Identification	
		Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	OO-ALC	
USAF/Depot Maintenance/Oct 93	All Equipment Under \$.5M											
Element of Cost												
Spectrum Analyzer (replacement)		4	63.9	255.6								
Generator Set (replacement)		2	200	400								
Pneumatic Control Cart (productivity)		1	39	39								
Multi Channel Flow Detect (productivity)		1	35	35								
Uninterrupt Power Supply (productivity)		1	29.7	29.7								
		2	35	70								
		1	400	400								
X-Ray Fluorescence Spectro (productivity)		1	150	150								
Air Conditioner, MA3 (productivity)		4	35.2	140.8								
C-Scan Controller (productivity)		1	160	160								
Zinc Nickel Plating* (new mission)		1	400	400								
Dust Collection System* (productivity)		1	104	104								
Sand Blast System* (productivity)		1	295	295								
Tubing & Cable Cleaner* (replacement)		1	150	150								
Prt Circ Bd HW Regen Sys* (productivity)		1	490	490								
Land Gear Paint Strp Sys* (replacement)		1	290	290								

DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE

FY 1995 BUDGET ESTIMATE

UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION
(Dollars in Thousands)

A. BUDGET SUBMISSION
FY1995
OSD/OMB Submission

B. Component/Business Area/Date	C. Line No. & Item Description	FY 1993			FY 1994			FY 1995		
		Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost
USAF/Depot Maintenance/Oct 93	All Equipment Under \$.5M									
	Element of Cost									
	Distallation Separation* (replacement)				1	495	495			
	Cent High Press Wash Sys* (productivity)				2	50	100			
	Hydraz Fuel Tank Serv St (replacement)							1	150	150
	Shaker System (replacement)							1	480	480
	Calibrator (productivity)							1	25	25
	Monoset Cutter Grinder (replacement)							1	250	250
	Wire EDM (replacement)							4	30.1	120.4
	Crane, Truck Warehouse (replacement)							1	40	40
	Synthesized Signal Source (replacement)							1	160	160
	Wheeled Tractor (replacement)							1	50.2	50.2
	CNC Lathe (replacement)							1	55.8	55.8
	Ultra Anal/Sig Chanc Sys (replacement)							2	60.8	121.6
	Furnace (replacement)							1	130	130
								1	18	18
								1	75	75

DEFENSE BUSINESS OPERATIONS AND AIR FORCE

UC/DBOF BUSINESS AREA 2A BUDGET ESTIMATE
 (Dollars in Thousands)

A. BUDGET SUBMISSION
 FY1995
 OSD/OMB Submission

B. Component/Business Area/Date	C. Line No. & Item Description	D. Activity Identification	
USAF/Depot Maintenance/Oct 93	All Equipment Under \$.5M	OO-ALC	

Element of Cost	FY 1993			FY 1994			FY 1995		
	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost
Bead Blast Booth, Manual (replacement)							1	172	172
Univ Horiz Milling Mach (replacement)							1	141	141
C-12 Simulation Test Set (productivity)							1	25	25
CNC Turning Machine (replacement)							1	100	100
Interface, Tensile Tester (replacement)							1	100	100
Ground Handling Cradle (productivity)							8	28.5	228
Automatic Shot Peen Sys (productivity)							1	45	45
Engine Analyzer Test Set (productivity)							2	100	200
Horiz Metal Cut Shaper (replacement)							1	61	61
Parts Washer (replacement)							1	25	25
Radar Signal Simulator (productivity)							2	49.7	99.4
AA Graphite Furnace (replacement)							1	100	100
Robot Controller Upgrade (replacement)							1	100	100
Press Test Set, TTU 205 (replacement)							2	35	70
Wheeled Tractor, MB4 (replacement)							2	27.4	54.8

DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE

FY 1995 BUDGET ESTIMATE

A. BUDGET SUBMISSION
FY1995
OSD/OMB Submission

UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION
(Dollars in Thousands)

B. Component/Business Area/Date		C. Line No. & Item Description			D. Activity Identification					
USAF/Depot Maintenance/Oct 93		All Equipment Under \$.5M			OO-ALC					
Element of Cost		FY 1993			FY 1994			FY 1995		
		Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost
4-Axis Machining Center (replacement)								1	250	250
Data Collection Unit (productivity)								1	100	100
Power Supply Test Set (productivity)								1	80	80
Test Set Indicator (productivity)								1	44.6	44.6
TACAN Set Indicator (productivity)								1	27.7	27.7
4-Axis Machining Center (replacement)								3	19.5	58.5
4-Axis Machining Center (replacement)								1	100	100
OO-ALC CATEGORY TOTALS							8903.8			3858.0

DEFENSE BUSINESS OPERATIONS - AIR FORCE

FY 1995 BUDGET ESTIMATE

UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION
(Dollars in Thousands)

A. BUDGET SUBMISSION
FY1995
OSD/OMB Submission

B. Component/Business Area/Date		C. Line No. & Item Description		D. Activity Identification						
USAF/Depot Maintenance/Oct 93		All Equipment Under \$.5M		SA-ALC						
Element of Cost		FY 1993			FY 1994			FY 1995		
		Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost
Eddy Current Inspection System (replacement)					1	135.8	135.8			
Wire Spray Booth (replacement)					1	90	90			
Compres W/Dessicant Drier (replacement)					2	164	328			
Compressor, 3K CFM (productivity)					1	250	250			
Compressed Air Drier (productivity)					1	165	165			
Auto Wet Peen Cabinet (replacement)					1	80	80			
Jig Borer (replacement)					1	275	275			
Coord Measuring Machine (productivity)					1	100	100			
F-15 Oil Cool Press Test (replacement)					1	480	480			
Vibratory Finishing Mill (replacement)					1	83.5	83.5			
F-100 Oil Cool Test Stand (replacement)					1	280	280			
TF-39 Oil Cool Test Stand (replacement)					2	25	50			
Laser Engraver (replacement)					1	280	280			
					1	280	280			
					1	100	100			

DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE

FY 1995 BUDGET ESTIMATE UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION (Dollars in Thousands)

B. Component/Business Area/Date		C. Line No. & Item Description			D. Activity Identification			A. BUDGET SUBMISSION	
USAF/Depot Maintenance/Oct 93		All Equipment Under \$.5M			SA-ALC			FY1995 OSD/OMB Submission	
Element of Cost		FY 1993			FY 1994			FY 1995	
		Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	Qty	Total Cost
Plasma Spray Booth (replacement)					1	50	50		
ACS/9000 Auto Calib Sys (replacement)					1	213	213		
Elect Discharge Machine (new mission)					1	45	45		
Prop Brake Test Stand (replacement)					1	40	40		
Plasma Spray Control Unit (replacement)					1	55	55		
ICP Spectrophotometer (replacement)					1	100	100		
CNC Lathe (productivity)					1	90	90		
Traverse Assembly (replacement)					2	47.5	95		
CNC Wire EDM (replacement)					1	350	350		
Tubing Test Stand (productivity)					1	150	150		
Hydraulic Preset Machine (productivity)					1	70	70		
Plasma Spray Acoustic Bth (replacement)					1	65	65		
Horizontal Machining Center (productivity)					1	350	350		
Tube Swaging Machine (productivity)					1	80	80		
2 Speed Switch Test Stand (productivity)					1	40	40		

DEFENSE BUSINESS OPERATIONS - AIR FORCE

FY 1995 BUDGET ESTIMATE
UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION
(Dollars in Thousands)

A. BUDGET SUBMISSION
FY1995
OSD/OMB Submission

B. Component/Business Area/Date	C. Line No. & Item Description	D. Activity Identification	
USAF/Depot Maintenance/Oct 93	All Equipment Under \$.5M	SA-ALC	

Element of Cost	FY 1993			FY 1994			FY 1995		
	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost
Halon 1202 Recycling Sys* (productivity)				1	100	100			
Plastic Media Blst Booth* (productivity)				1	400	400			
Vibratory Sludge Filt/Recycle Sys* (replacement)				1	45	45			
Plasma Spry, Small Parts Wash* (replacement)				1	25	25			
Plasma Spry, Medium Parts Wash* (replacement)				1	35	35			
Plasma Spry, Medium Parts Wash* (replacement)				1	35	35			
Plasma Spry, Medium Parts Wash* (replacement)				1	35	35			
FPI Shop, Large Parts Wash* (replacement)				1	55	55			
Aqueous Washer* (replacement)				1	32	32			
Sodium Bicarb Booth* (replacement)				1	43	43			
Vapor Incineration Sys* (replacement)				1	350	350			

DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE

FY 1995 BUDGET ESTIMATE UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION (Dollars in Thousands)										A. BUDGET SUBMISSION FY1995 OSD/OMB Submission	
B. Component/Business Area/Date		C. Line No. & Item Description				D. Activity Identification					
USAF/Depot Maintenance/Oct 93		All Equipment Under \$.5M				SA-ALC					
Element of Cost		FY 1993			FY 1994			FY 1995			
		Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	
Recirculating Box Furnace (productivity)								1	35	35	
Gap Bed Lathe (replacement)								1	150	150	
4-Axis CNC Mill (replacement)								3	150	450	
Atomcomp 7000 Spectro (productivity)								1	159	159	
Spike Welder (replacement)								2	32	64	
Temperature Simulator (replacement)								1	80	80	
Universal Light Duty Mill (replacement)								2	215	430	
Universal Grinder (replacement)								1	65	65	
Vacuum Induct Brazing Sys (replacement)								4	40	160	
HPT Area Gage Sys (productivity)								1	200	200	
Horiz Balancing Machine (replacement)								1	160	160	
Internal Grinder (replacement)								1	45	45	
Universal Rotary Grinder (replacement)								1	65	65	
								2	100	200	
								1	260	260	

DEFENSE BUSINESS OPERATIONS - AIR FORCE

FY 1995 BUDGET ESTIMATE UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION (Dollars in Thousands)

FY 1995 BUDGET ESTIMATE										A. BUDGET SUBMISSION	
UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION										FY1995	
(Dollars in Thousands)										OSD/OMB Submission	
B. Component/Business Area/Date		C. Line No. & Item Description				D. Activity Identification					
USAF/Depot Maintenance/Oct 93		All Equipment Under \$.5M				SA-ALC					
Element of Cost		FY 1993			FY 1994			FY 1995			
		Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	
Vertical Mill (replacement)								1	43	43	
Lathe (replacement)								1	63	63	
Vertical Mill (replacement)								1	43	43	
Grinder (replacement)								1	34.8	34.8	
Hot Air Furnace (replacement)								1	269.6	269.6	
M.I. Equip Mach								1	193.4	193.4	
Rubber Shop Sys (replacement)								1	250	250	
Cleaning Equip, F-100 (replacement)								1	120	120	
F-15 Oil Cool Press Test (replacement)								1	25	25	
Coordinate Meas Mach (productivity)								1	280	280	
Universal Grinder (replacement)								1	300	300	
Ultra High Press Intense (productivity)								3	104.4	313.2	
SA-ALC CATEGORY TOTALS								1	150	150	
										4608.0	

DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE

FY 1995 BUDGET ESTIMATE

UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION
(Dollars in Thousands)

A. BUDGET SUBMISSION
FY1995
OSD/OMB Submission

B. Component/Business Area/Date	C. Line No. & Item Description	D. Activity Identification	
USAF/Depot Maintenance/Oct 93	All Equipment Under \$.5M	SM-ALC	

Element of Cost	FY 1993			FY 1994			FY 1995		
	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost
Blast Room (productivity)				1	495	495			
Forklift, 15K (replacement)	1	70.8	70.8						
Truck, 1 1/2 Ton (replacement)	2	33	66						
Tow Tractor (replacement)	1	74.6	74.6						
Truck, 1 1/2 Ton (replacement)	1	33.3	33.3						
Truck, 1 1/2 Ton (replacement)	2	25	50						
X-Ray Chromatograph (replacement)	1	120	120						
X-Ray Fluorescence Spectro (replacement)	1	290	290						
Power Roller Rehab (productivity)	1	170	170						
Analyzer, Jet Cal Eng (productivity)	2	30	60						
Test Set, IFF (productivity)	1	27.53	27.53						
Resin Transfer Molder (productivity)	1	75	75						
Bridge Crane (productivity)	1	40	40						
Test Set, Electric (productivity)	1	115.7	115.7						
Vertical Milling Center (replacement)	1	95.4	95.4						

DEFENSE BUSINESS OPERATIONS - AIR FORCE

UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION
(Dollars in Thousands)

A. BUDGET SUBMISSION
FY1995
OSD/OMB Submission

B. Component/Business Area/Date		C. Line No. & Item Description		D. Activity Identification						
USAF/Depot Maintenance/Oct 93		All Equipment Under \$.5M		SM-ALC						
Element of Cost		FY 1993			FY 1994			FY 1995		
		Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost
Engine Lathe (replacement)					1	48.7	48.7			
Precision Hydraulic Shear (replacement)					1	115	115			
Dynamic Brake Test Stand (replacement)					1	150	150			
Brake Box Pan (replacement)					1	54	54			
Hydraul Test Stand, MK3A (replacement)					2	67	134			
					2	47.5	95			
					1	45	45			
					1	40	40			
					3	55	165			
					1	124.4	124.4			
					1	100	100			
					1	50	50			
					1	80	80			
					1	25	25			
					1	60	60			

DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE

FY 1995 BUDGET ESTIMATE		A. BUDGET SUBMISSION							
UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION		FY1995							
(Dollars in Thousands)		OSD/OMB Submission							
B. Component/Business Area/Date	C. Line No. & Item Description	D. Activity Identification							
USAF/Depot Maintenance/Oct 93	All Equipment Under \$.5M	SM-ALC							
Element of Cost	FY 1993			FY 1994			FY 1995		
	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost
ICP Mass Spectrometer (productivity)							1	250	250
Gas Chrom Spec ECD/FID (replacement)							1	50	50
Automatic Cyanide Tester (productivity)							1	60	60
Atomic Emission Spectro (productivity)							1	140	140
K735 Test Stand (replacement)							2	124.4	248.8
Projector Cutter (productivity)							1	300	300
Drying Oven (productivity)							1	290	290
Gear Shaper (replacement)							1	125	125
IR Microscope (productivity)							1	80	80
MJ2A Hydraulic Test Stnd (replacement)							3	34	102
Scan Laser Acoustic Micro (productivity)							1	140	140
Cabin Press Tst, AF/M32-1 (replacement)							1	25	25
Nuclotron Comp Tomography (productivity)							1	100	100
Reactor Ventillation Sys (productivity)							1	100	100
Thermal Calibration Tube (replacement)							1	200	200
Vision Scanning Sys (replacement)							2	200	400

DEFENSE BUSINESS OPERATIONS - AIR FORCE

FY 1995 BUDGET ESTIMATE

UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION
(Dollars in Thousands)

B. Component/Business Area/Date		C. Line No. & Item Description			FY 1993			FY 1994			FY 1995			D. Activity Identification		A. BUDGET SUBMISSION	
USAF/Depot Maintenance/Oct 93		All Equipment Under \$.5M			Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	SM-ALC		FY1995 OSD/OMB Submission	
Element of Cost																	
Vertical Grinder (productivity)											1	150	150				
Vertical Machining Center (replacement)											1	200	200				
Leak Check Tank (productivity)											1	100	100				
Nitrogen System (productivity)											1	225	225				
Refrigerated Cold Storage (productivity)											1	100	100				
4K Forklift, Electric (replacement)											1	40	40				
											1	74.6	74.6				
											2	31.3	62.6				
SM-ALC CATEGORY TOTALS							3069.4										3563.0

DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE

FY 1995 BUDGET ESTIMATE

UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION
(Dollars in Thousands)

A. BUDGET SUBMISSION
FY1995
OSD/OMB Submission

B. Component/Business Area/Date		C. Line No. & Item Description		D. Activity Identification						
USAF/Depot Maintenance/Oct 93		All Equipment Under \$.5M		WR-ALC						
Element of Cost		FY 1993			FY 1994			FY 1995		
		Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost
Waterwash Paint Spray Bth (replacement)					1	30	30			
Flex Auto Circuit Tester (replacement)					1	250	250			
Spectrum Analyzer (productivity)					1	55	55			
Power Converter, 400Hz (replacement)					2	32.5	65			
CNC Tube Bender (productivity)					1	450	450			
File Plotter (replacement)					1	25	25			
File Plotter Model (replacement)					1	40	40			
Punch Machine (replacement)					1	28.6	28.6			
Digital Tracer Mill (productivity)					1	450	450			
Upgrade DIG Imaging (replacement)					1	75	75			
Benchmark Seam Welder Upg (replacement)					1	40	40			
3-Axis Digit Tracer Mill (productivity)					1	450	450			
Torque Tester System (replacement)					1	150	150			
Swaging Machine (productivity)					1	36	36			
IR Microscope (replacement)					1	50	50			

DEFENSE BUSINESS OPERATIONS - AIR FORCE

UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION
(Dollars in Thousands)

A. BUDGET SUBMISSION
FY1995
OSD/OMB Submission

B. Component/Business Area/Date		C. Line No. & Item Description		D. Activity Identification						
USAF/Depot Maintenance/Oct 93		All Equipment Under \$.5M		WR-ALC						
Element of Cost		FY 1993			FY 1994			FY 1995		
		Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost
DNC Shearing Center (replacement)					1	260	260			
Rate Station (productivity)					2	70.3	140.7			
Auto Ultrasonic Scanner (replacement)					1	250	250			
Spectrum Analyzer (productivity)					1	25.8	25.8			
Mass Spectrometer (replacement)					7	29.7	29.7			
Uninterrupt Power Supply (productivity)					3	75	225			
Power Supply Tester (new mission)					1	28	28			
Microhardness Tester (replacement)					1	35	35			
Dynamic Balancer (replacement)					1	250	250			
Dynamic Balancer (replacement)					1	30	30			
Dynamic Balancer (replacement)					1	33	33			
Press Calibration System (productivity)					1	33	33			
Lab Equipment (productivity)					1	27.9	27.9			
Macrophotographic System (replacement)					1	45	45			
					1	30	30			

DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE

FY 1995 BUDGET ESTIMATE UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION (Dollars in Thousands)				A. BUDGET SUBMISSION FY1995 OSD/OMB Submission		
B. Component/Business Area/Date		C. Line No. & Item Description		D. Activity Identification		
USAF/Depot Maintenance/Oct 93		All Equipment Under \$.5M		WR-ALC		
Element of Cost	FY 1993			FY 1994		FY 1995
	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost
Tube Bending Machine (productivity)	1			1	107.6	107.6
Video Measurement System (productivity)	1			1	25	25
Dynamic Balancer (replacement)	6			6	33	198
Humidity Chamber (replacement)	1			1	25	25
GC/Mass Spectrometer Sys (new mission)	1			1	100	100
	1			1	30	30
	1			1	40	40
Atomic Fluorescence Spectro (replacement)	1			1	175	175
Scan Electron Microscope (replacement)	1			1	250	250
Toolmaker's Grinder (new mission)	1			1	90	90
Auto Grinder/Polisher (replacement)	1			1	66	66
Hydrogen Determinator (replacement)	1			1	55	55
Wavelength Disperse Scan (replacement)	1			1	35	35
3-Axis Vertical Mill (replacement)	1			1	175	175

DEFENSE BUSINESS OPERATIONS AND - AIR FORCE

UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION
(Dollars in Thousands)

A. BUDGET SUBMISSION
FY1995
OSD/OMB Submission

B. Component/Business Area/Date	C. Line No. & Item Description All Equipment Under \$.5M	FY 1993			FY 1994			FY 1995			D. Activity Identification	
		Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	WR-ALC	
	Element of Cost											
	X-Ray Fluorescence System (productivity)	1	75	75								
	Bicarb of Soda Strip Sys* (productivity)	2	40	80								
	Aquamizer* (productivity)	2	45	90								
	Power Washers* (replacement)	2	100	200								
	Paint Spray Booth* (productivity)	1	30	30								
	Colored Film Part Pnt Strip* (replacement)	2	43	86								
	Pnt Bth Microseparators* (replacement)	5	60	300								
	Cleaning System* (replacement)	2	150	300								
	Super CO2 Prec Part Cln* (replacement)	3	50	150								
	Cleaning System* (replacement)	6	70	420								
	Supercrit CO2 Prec Parts Clean* (replacement)	3	50	150								
	Avionics Cleaning System* (replacement)	4	75	300								
	Bench Clean System* (replacement)	3	27	81								
	ODC Test Equipment* (replacement)	1	220	220								
	Parts Washer* (replacement)	1	300	300								
	A/C Component Paint Removal Sys* (replacement)	1	250	250								

DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE

FY 1995 BUDGET ESTIMATE UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION (Dollars in Thousands)										A. BUDGET SUBMISSION FY1995 OSD/OMB Submission	
B. Component/Business Area/Date		C. Line No. & Item Description			D. Activity Identification						
USAF/Depot Maintenance/Oct 93		All Equipment Under \$.5M			WR-ALC						
Element of Cost		FY 1993			FY 1994			FY 1995			
		Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	
Check Frame, LH (productivity)								1	41.3	41.3	
Check Frame, RH (productivity)								1	41.3	41.3	
Network Analyzer System (replacement)								1	146.8	146.8	
UPS System (replacement)								1	35	35	
Bar Coding System (productivity)								1	350	350	
FTIR Spectrometer (replacement)								1	70.9	70.9	
Test Set, Electronic (productivity)								1	53.8	53.8	
Fixture Skinning (productivity)								1	40	40	
Alignment Kit, RH (productivity)								1	68	68	
Alignment Kit, LH (productivity)								1	125.3	125.3	
Ream Kit, RH (replacement)								1	41.3	41.3	
Power Washers* (replacement)								1	41.3	41.3	
5 Ton Monorail (replacement)								1	111	111	
								2	100	200	
								1	45	45	

DEFENSE BUSINESS OPERATIONS AND - AIR FORCE

UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION
(Dollars in Thousands)

A. BUDGET SUBMISSION
FY1995
OSD/OMB Submission

B. Component/Business Area/Date		C. Line No. & Item Description		D. Activity Identification						
USAF/Depot Maintenance/Oct 93		All Equipment Under \$.5M		WR-ALC						
Element of Cost		FY 1993			FY 1994			FY 1995		
		Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost
AFCS Tester (productivity) Thermal Drying Oven (replacement) Dynamic Balancer (replacement) Radar Test Set (replacement)								1	43.4	43.4
								1	30	30
								4	35	140
								2	85	170
									8041.3	

DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE

UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION (Dollars in Thousands)										A. BUDGET SUBMISSION FY 1995 OSD/OMB Submission	
B. Component/Business Area/Date		C. Line No. & Item Description			D. Activity Identification						
USAF/Depot Maintenance/Oct 93		All Minor Construction under \$.5M			AFMC						
		FY 1993			FY 1994			FY 1995			
Element of Cost		Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	
		84	NA	8800	91	NA	11000	59	NA	5900	

Narrative Justification:

Minor construction allows flexibility in adapting to new and changing workloads. Projects are small scale (costing between \$15,000 and \$300,000) and are designed, scheduled and constructed in an immediate manner. These projects support the Air Logistics Centers mission requirements, correct safety and health problems, and improve productivity through quality of life improvement projects and office/work space reorganizations. Typical projects could include foundation/structure work, utilities, HVAC systems, etc. to provide specific facility requirements.

NOTE: In FY94/95 there are three projects to support pollution prevention program included in the MC total. They are as follows:

PROJECT NAME: INST ELEC FEEDER FOR AC's, B2122, PROJECT COST: \$190K, PROJECT LOCATION: OC-ALC
PROJECT NAME: INST CONCRETE DRIVE, DIKE, CURB, 2111, PROJECT COST: \$250K, PROJECT LOCATION: OC-ALC
PROJECT NAME: RESURFACE CONTAINMENT AREAS, MULTIPLE BLDGS, PROJECT COST: \$40K, PROJECT LOCATION: OO-ALC

**DEFENSE BUSINESS OPERATIONS AND - AIR FORCE
FY 1995 BUDGET ESTIMATE**

UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION (Dollars in Thousands)										A. BUDGET SUBMISSION FY 1995 OSD/OMB Submission	
B. Component/Business Area/Date		C. Line No. & Item Description		D. Activity Identification							
USAF/Depot Maintenance/Oct 93		NC CAD/CAM Graphics System (Replacement)		OQ-ALC							
		FY 1993			FY 1994			FY 1995			
Element of Cost		Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	
NC CAD/CAM Graphics System					1	700	700				

Narrative Justification:

The NC CAD/CAM Graphics system will consist of ten (10) stand alone work stations, software, a file server and related periphery hardware devices. These workstations will be used to formulate models and generate part programs for over thirty different CNC/NC machine tools. They will also be used to generate fixture, service order and work request drawings, in addition to maintaining the shop layouts. The proposed CAD/CAM system will have significantly less preventive and remedial maintenance costs (approx \$70k/yr) than the existing system, resulting in an estimated annual maintenance savings of \$130,000.

Impact if Not Provided:

- (1) Since the current NC CAD/CAM Graphics system is becoming obsolete and expensive to maintain, the ability to support the manufacture and repair of aircraft component parts that are produced on NC/CNC machine tools will deteriorate to an unacceptable level.
- (2) Increased component part flow days will result, since the productivity of the NC/CNC machine tools is directly related to the timeliness and integrity of the part program directing the machine.
- (3) Inability to support the CALS initiatives since the current system is incompatible with the current revision of IGES.

DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE

UC/DBOF BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION (Dollars in Thousands)				A. BUDGET SUBMISSION FY 1995 OSD/OMB Submission	
B. Component/Business Area/Date	C. Line No. & Item Description	D. Activity Identification		AFMC	
USAF/Depot Maintenance/Oct 93	All ADPE & Telecom Resources < \$.5M				
Element of Cost	FY 1993			FY 1994	
	Qty	Unit Cost	Total Cost	Qty	Unit Cost
	Qty	Unit Cost	Total Cost	Qty	Unit Cost
	0	NA	0	8	NA
			2450	0	NA
<p>Narrative Justification:</p> <p>This category supports procurement of information equipment with a total project cost under \$0.5M. Supported areas include office automation and the development, upgrade or enhancement of information systems required to maintain, transfer and manipulate data critical to depot maintenance operations. For FY94, the projects are as follows:</p> <p>PROJECT NAME: LABORATORY INFORMATION SYSTEM, PROJECT COST: \$360K, PROJECT LOCATION: OC-ALC PROJECT NAME: LABORATORY INFORMATION SYSTEM, PROJECT COST: \$250K, PROJECT LOCATION: OC-ALC PROJECT NAME: 128MB ECC MEMORY MODULE, PROJECT COST: \$108K, PROJECT LOCATION: OO-ALC PROJECT NAME: COMPUTER SYSTEM UPGRADE, PROJECT COST: \$180K, PROJECT LOCATION: SA-ALC PROJECT NAME: CAD/CAM SYSTEM UPGRADE, PROJECT COST: \$350K, PROJECT LOCATION: SM-ALC PROJECT NAME: VAX 4000 MINICOMPUTER, PROJECT COST: \$312K, PROJECT LOCATION: WR-ALC PROJECT NAME: CAD/CAM SYSTEM, PROJECT COST: \$460K, PROJECT LOCATION: WR-ALC PROJECT NAME: TIM COMPUTER DATA SYSTEM, PROJECT COST: \$430K, PROJECT LOCATION: WR-ALC</p>					

**DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE**

**DEPOT MAINTENANCE
SUMMARY OF PRICE, PROGRAM AND OTHER CHANGES
(Dollars in Millions)**

	Cost Of Opns FY 1993	Cost Of Opns FY 1994	Price Growth	Program & Other Changes	Cost Of Opns FY 1995
Military Personnel Compensation	20.106	22.247	0.183	(6.626)	15.804
Civilian Personnel Compensation	1,342.397	1,364.309	34.780	(95.126)	1,303.963
Inventory Procurement Expenses	0.000	0.000	0.000	0.000	0.000
Travel	17.940	22.801	0.485	(1.614)	21.672
Materiel, Equipment & Supplies (Non-FUND)	0.000	0.000	0.000	0.000	0.000
Materiel, Eqmt & Supplies (From FUND)	1,149.462	1,794.814	(58.707)	6.492	1,742.599
Purchases From Other Fund Businesses	144.575	114.126	3.196	(5.620)	111.702
Transportation (From FUND)	0.000	0.000	0.000	0.000	0.000
Transportation (From Non-FUND)	0.427	0.283	0.008	0.021	0.312
Depreciation/Amortization	98.493	135.730	0.786	(13.431)	123.085
Other Purchases	1,120.088	1,194.312	33.441	(139.769)	1,087.984
 Total Operating Budget (Includes Reimbursements)	 3,893.488	 4,648.622	 14.171	 (255.672)	 4,407.121

**DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE**

**DEPOT MAINTENANCE
CHANGES IN COST OF OPERATION
(Dollars in Millions)**

EXPENSES

FY 1993 ACTUAL 3,893.488

Pricing Adjustments

Annualization of Military Pay	0.177
Annualization of Civilian Pay	18.862
Civilian Pay Raise	32.860
Material Price Growth	238.284
Fuel Price Growth	0.460
Interservice Purchases Price Growth	3.470
Price Growth on Contract Workload	20.788
Other Purchases Price Growth	6.381
TOTAL	321.282

Productivity and Other Initiatives

Overhead Labor Savings	(11.300)
Overhead Material/Supply Reductions	(5.600)
Contract Engineering Technical Svcs	(0.200)
Lessons Learned KC-135	(6.100)
Use of Self Priming Paint	(3.100)
Use of Laser Cutter	(4.600)
T56 Gearbox Competition	(2.300)
J85 Engine Components Competition	(4.600)
Use of Depot Field Teams- C5 TCTOs	(1.400)
Reduced Repair-New Grit Blast Equip	(0.700)
F-15 Wing Repair Process Improvement	(2.500)
A-10 Process Improvements	(2.600)
F-111 Wing Deseal/Reseal Method	(3.300)
C-141 Center Wing Box Competition	(3.800)
F-15 Fuel Vent Repair Improvement	(2.500)
Competition Savings - ARC-186 Repair	(3.300)
Competition Savings - C-130 Blades	(1.300)
Contract Competition Savings	(24.600)
TOTAL	(83.800)

Programmatic Changes

Increase in volume of 2-Level Engine	174.900
JLSC	37.000
Funding of Headquarters Costs	6.800
Reparable Material	128.600
Workload and Other Changes	161.245
TOTAL	508.545

FY 1994 APPROVED 4,648.622

DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE

DEPOT MAINTENANCE
CHANGES IN COST OF OPERATION
(Dollars in Millions)

EXPENSES

FY 1994 APPROVED 4,648.622

Pricing Adjustments

Annualization of Civilian Pay	15.495
Civilian Pay Raise	19.285
Military Pay Raise	0.183
Material Price Changes	(58.707)
Fuel Price Growth	(1.950)
Interservice Purchases Price Growth	3.196
Price Growth on Contract Workload	24.270
Other Purchases Price Growth	10.450

TOTAL 12.222

Productivity and Other Initiatives

Overhead Labor Savings	(13.600)
Overhead Material/Supply Reductions	(2.100)
Lessons Learned - KC-135	(5.500)
Use of Self Priming Paint	(2.600)
Labor Hour Reduction	(3.000)
Use of Laser Cutter	(4.600)
T56 Gearbox Competition	(2.300)
J85 Engine Components Competition	(5.800)
Use of Depot Field Teams- C5 TCTOs	(1.500)
Reduced Repair-New Grit Blast Equip	(3.500)
Process Improvement	(5.000)
F-15 Wing Repair Process Improvement	(2.500)
Process Improvements on A-10	(3.600)
F-111 Wing Deseal/Reseal Method	(4.300)
F-15 Vent Repair Improvement	(3.100)
C-141 Center Wing Box Competition	(0.700)
Competition Savings - ARC-186 Repair	(0.500)
Competition Savings - C-130 Blades	(0.200)
Contract Competition Savings	(21.400)
Reduced Personnel Cost	(29.891)

TOTAL (115.691)

Programmatic Changes

Increase in 2-level Engine Volume	223.600
JLSC	14.600
MILCON Depreciation	(15.195)
DMSC Personnel	(15.783)
Reduced Contract Net Available	(157.536)
Decrease in Travel	(1.600)
Reduction-Utility/Communication Cost	(0.828)
Other Workload/Program Changes	(58.393)

TOTAL (11.135)

FY 1995 APPROVED 4,407.121

**DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE**

TRANSPORTATION

On February 14, 1992, Secretary Cheney issued a memorandum which assigned Commander in Chief, United States Transportation Command (TRANSCOM) the mission to provide air, land, and sea transportation for DoD, both in time of peace and in time of war. Thus, TRANSCOM became the manager for common service transportation and related funding. The Services were authorized to retain the assignment of Service unique or theater assigned transportation assets. The Air Force maintains the responsibility to establish, organize, train and equip the Air Mobility Command and coordinate with USCINTRANS to carry out assigned responsibilities.

On February 19, 1992, DoD(C) moved Air Mobility Command (AMC) into the Defense Business Operations Fund (DBOF). The following service-unique functions of the Transportation Business Area are included in DBOF-AMC:

- 89th Wing
- Operations Squadron Support
- Operation Support Airlift
- Tankers
- Defense Courier Service
- Real Property Maintenance
- AMC Management Headquarters
- Base Support Operations

FINANCIAL HIGHLIGHTS

The cost and revenue numbers in the budget for DBOF-AMC for FY 1993 are normalized to include MILPERS costs. DBOF-AMC experienced a Net Operating Loss of \$146.6M in FY 1993. This loss is attributable to depreciation which was not funded in customer accounts in FY 1993. Customer accounts are funded for depreciation in FY 1994 and financial statements are expected to show a Net Operating Result of \$156.3M. The FY 1994 Net Operating Result should offset the loss experienced in FY 1993. This will allow DBOF-AMC to be transferred out of the DBOF at the end of FY 1994 with an Accumulated Operating Result of zero.

In accordance with the DBOF Improvement Plan approved by the Deputy Secretary of Defense in Sep 93, Air Mobility Command is removed from DBOF in FY 1995. The rationale for removing Air Mobility Command from DBOF is that it does not meet the criteria for a DBOF activity outlined in the DBOF Improvement Plan because the primary customer of DBOF-AMC is the Air Force. It is difficult to obtain benefits of a DBOF activity when the business activity and customer are part of the same organization.

PROGRAM HIGHLIGHTS

DBOF-AMC is responsible to the Secretary of the Air Force for organizing, training, equipping and providing operationally ready forces for unified commands world wide. Total aircraft under the purview of DBOF-AMC number over 950 at 13 major bases. There are also 19 Tanker Squadrons at 14 locations at various bases around the world. During FY 1994 DBOF-AMC will employ 9,917 civilians and 26,524 military members. There are 5 bases scheduled to close in FY 1994 and 1995 including Norton AFB, March AFB, Little Rock AFB, Plattsburg AFB and Grissom AFB.

**DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE**

**TRANSPORTATION - AIR FORCE
REVENUE AND EXPENSES
(Dollars in Millions)**

	FY 1993	FY 1994	FY 1995
	-----	-----	-----
Revenue:			
Gross Sales:			
Operations	1,983.8	2,587.7	0.0
Capital Surcharge	0.0	0.0	0.0
Depreciation except Maj Const	123.8	145.5	0.0
Major Construction Depreciation	56.0	66.3	0.0
Total Gross Sales	2,163.7	2,799.5	0.0
Other Income	0.0	0.0	0.0
Total Income	2,163.7	2,799.5	0.0
Expenses:			
Cost of Materiel Sold from Inventory	0.0	0.0	0.0
Negotiated Purchases from Customers	0.0	0.0	0.0
Transportation	22.3	13.6	0.0
Salaries and Wages:			
Military Personnel	1,173.2	1,049.0	0.0
Civilian Personnel	338.1	313.9	0.0
Materials, Supplies and			
Parts used in Operations	139.6	354.6	0.0
Facility Repair Charge	2.5	1.3	0.0
Depreciation - Capital	179.9	211.8	0.0
Contracted Engineering Services	0.0	0.0	0.0
Lease Costs	1.2	1.3	0.0
Purchased Utilities	58.3	81.3	0.0
Purchased Communications	8.9	15.5	0.0
Equipment Maintenance	10.7	7.1	0.0
Fuel	15.9	127.7	0.0
Other Expenses	359.8	465.9	0.0
Total Expenses	2,310.3	2,643.2	0.0
Work in Process Adjusted	0.0	0.0	0.0
Comp Work for Activity Reten Adj	0.0	0.0	0.0
Cost of Goods Sold	2,310.3	2,643.2	0.0
Operating Result	(146.6)	156.3	0.0
Less Capital Surchg Reservation	0.0	0.0	0.0
Plus Appropriations Affcting NOR/AOR	0.0	0.0	0.0
Other Changes Affecting NOR/AOR	0.0	0.0	0.0
Inventory Gains and Losses	0.0	0.0	0.0
Net Operating Result	(146.6)	156.3	0.0
Transfers Not Affecting NOR/AOR	0.0	0.0	0.0
Prior Year and Other Adjustments	0.0	0.0	0.0
Other Inventory Adjustments	0.0	0.0	0.0
WRM Appropriations	0.0	0.0	0.0
Net Result	(146.6)	156.3	0.0

DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE

TRANSPORTATION - AIR FORCE
SOURCE OF REVENUE
(Dollars in Millions)

	FY 1993	FY 1994	FY 1995
	-----	-----	-----
1. Orders from DoD Components:			
Army	0.9	0.9	0.0
Navy	2.9	2.9	0.0
Air Force	1,921.3	2,535.1	0.0
Marine Corps	0.0	0.0	0.0
Other	204.1	226.1	0.0
2. Orders from other			
DBOF Business Areas	24.3	24.3	0.0
3. Total DoD	2,153.5	2,789.3	0.0
4. Other Orders:			
Other Federal Agencies	2.6	2.6	0.0
Trust Fund	0.0	0.0	0.0
Non Federal Agencies	7.6	7.6	0.0
5. Total Gross Orders	2,163.7	2,799.5	0.0
6. Credits and Allowances:			
Discounts	0.0	0.0	0.0
Price Reductions	0.0	0.0	0.0
7. Change to Backlog	0.0	0.0	0.0
8. Total Gross Sales	2,163.7	2,799.5	0.0

DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE

TRANSPORTATION - AIR FORCE
CAPITAL BUDGET
(Dollars in Millions)

	FY 1993 -----	FY 1994 -----	FY 1995 -----
Equipment	2.8	3.5	0.0
Minor Construction	0.0	27.3	0.0
ADPE & TELCOM	0.0	16.8	0.0
Software	0.0	0.0	0.0
Total	2.8	47.6	0.0

BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION (\$ IN THOUSANDS)										A. FY95 DBR		
B. DBOF-AMC				C. EQUIPMENT > \$15,000				D. AIR MOBILITY CMD				
FY 1993				FY 1994				FY 1995				
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
EQUIPMENT												
VERT STEAM COOKER	1	16.0	16.0									
POT PAN WASHER	1	20.2	20.2									
SEWER CLEANER	1	22.0	22.0									
FRONT-END ALIGN MACH	2	22.5	45.0									
HAZ MAT STORAGE	1	19.3	19.3									
ELECTRONIC BANK	1	43.0	43.0									
DYNAMOMETER	1	35.0	35.0									
INFRARED CAMERA	1	51.7	51.7									
HAZMAT TRAILER	1	18.5	18.5									
EARTH SAW	1	45.0	45.0									
PORT HIGH LIFT	1	44.3	44.3									
ROLLER	1	34.9	34.9									
BOBCAT LOADER	2	20.3	40.6									
BOBCAT SKID LOADER	1	19.3	19.3									
DITCHING MACHINE	1	26.0	26.0									
ROLLER MOTORIZED	1	60.5	60.5									
KOMPAN SARK	1	19.2	19.2									
SEWER TV INSPEC SYS	1	25.0	25.0									
MOBILE HYD PLATFORM	3	23.1	69.3									
POWER UNIT UTILITY	1	15.0	15.0									
WASHER AUTO VEH	1	43.5	43.5									
25FT TILT TRAILER	1	15.2	15.2									
BLUEPRINT MACHINE	1	44.2	44.2									
SUPER SLOPE MOWER	3	22.5	67.5									
ELEC FORMS RETRV	1	60.0	60.0									
MAG TAPE AVAL/CLEAN	1	15.3	15.3									
MIXING CONSOLE	1	30.6	30.6									

TRANSPORTATION - AIR FORCE **PAGE 124**

DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE

BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION (\$ IN THOUSANDS)										A. FY95 DBR
B. DBOF-AMC										D. AIR MOBILITY CMD
C. EQUIPMENT > \$15,000										FY 1996
Element of Cost	FY 1993			FY 1994			FY 1995			Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	
TRACTOR-MOWER	4	31.6	126.4							
DAT RECORDER	1	19.0	19.0							
BETACAM SP RECORD	1	15.5	15.5							
RIDING MOWER	2	16.0	32.0							
MOBILE HYD SEATING	1	23.3	23.3							
BLEACHERS	1	28.2	28.2							
RECORDER PRODUCER	1	30.0	30.0							
PORTABLE BLEACHERS	1	19.5	19.5							
SPEAKER AUDIO	1	18.6	18.6							
POLAROID ID SYS	1	25.2	25.2							
GYM SET PLAYGROUND	1	20.9	20.9							
MOBILE BLEACHERS	2	20.8	41.6							
BETACAM SP EDITING	2	39.5	79.0							
PLAYGROUND EQUIP	2	27.0	54.0							
EMBOSSING MACHINE	1	39.4	39.4							
PRE-ENGINE BLDG	5	36.0	180.0							
BETACAM SP RECORD	3	35.0	105.0							
COMP ENGRAVER	1	24.5	24.5							
FILING SYSTEM	1	91.6	91.6							
MOBILE STAGE	1	44.0	44.0							
SHREDDING MACHINE	1	22.0	22.0							
ENGINE PRINT SYS	1	147.0	147.0							
HIGH SPEED DUPLICAT	1	90.0	90.0							
CAR SHAKER	1	63.0	63.0							
POTHOLE PATCHER	1	44.8	44.8							
DISHWASHER	1	33.3	33.3							
DISHWASHER	1	37.0	37.0							
POT/PAN SINK	1	35.0	35.0							
PORTABLE AIR SYS	1	37.0	37.0							

DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE

BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION (\$ IN THOUSANDS)										A. FY95 DBR
B. DBOF-AMC					C. EQUIPMENT > \$15,000					D. AIR MOBILITY CMD
					FY 1994					FY 1996
					FY 1995					
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	
XEROX COPIER	1	80.0	80.0							
HIGH SPEED COPIER	1	145.0	145.0							
HIGH SPEED COPIER	1	136.1	136.1							
TOTAL			2834.0							

Narrative Justification:

This category supports procurement of information equipment with a total project cost under \$.5M. Supported areas include office automation and the development, upgrade or enhancement or information systems required to maintain, transfer and manipulate data critical to depot maintenance operations.

DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE

BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION (\$ IN THOUSANDS)										A. FY95 DBR
B. DBOF-AMC										D. AIR MOBILITY CMD
C. ALL MINOR CONSTRUCTION UNDER \$.5M										FY 1996
Element of Cost	FY 1993			FY 1994			FY 1995			FY 1996
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	
				143	NA	26794				
TOTAL						26794				

Narrative Justification:

Minor construction allows flexibility in adapting to new and changing missions. Projects are small scale and are designed, scheduled and constructed in an immediate manner. These projects support the Air Mobility Command mission requirements, correct safety problems, and improve productivity through quality of life improvement projects and office/work space reorganizations.

Typical project could include foundation/structure work, utilities, HVAC systems, etc. to provide specific facility requirements.

DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE

BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION											A. FY95 DBR	
(\$ IN THOUSANDS)												
B. DBOF-AMC				C. ADPE AND TELECOM RESOURCES > \$500,000							D. AIR MOBILITY CMD	
				FY 1993		FY 1994		FY 1995		FY 1996		
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
ADPE &												
TELECOM												
GROUND DIG COMM												
TERMINALS				1	1075	1075						
TOTAL												

Narrative Justification:

The funding is required to purchase 4 battlefield communications terminals (BCT), 13 expanded memory digital comm terminals (EMDCT), 236 connector cables, 20 power supplies and 13 printers for 13 AMC Combat Control Teams (CCT) units. The GDCI program will provide the AMC CCT with lightweight, portable communications message processors used with a variety of military radios and crypto equipment. The DCT and BCT will provide a secure jam, resistant, multi-message menu, digital data burst transmission capability for CCT to communicate with AMEs, TALOs, TACP, and other services.

Impact if Not Funded:

Failure to make the capital investment in this program would severely limit AMC CCTs C2 communications capability. GDCI equipment purchases to date could not be effectively used because all components for complete systems have not been procured. Funds spent on incomplete systems would be wasted.

DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE

BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION										A. FY95 DBR
(\$ IN THOUSANDS)										
B. DBOF-AMC										D. AIR MOBILITY CMD
C. ADPE AND TELECOM RESOURCES > \$500,000										FY 1996
Element of Cost	FY 1993			FY 1994			FY 1995			FY 1996
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	
ADPE & TELECOM										
LOCAL AREA NETWORK				1	4188	4188				
TOTAL						4188				

Narrative Justification:

Information processing equipment has become an integral part of every aspect of deliberate war planning, combat support activities, warfighting operations, and subsequent redeployment actions. From flightlines to support facilities to command centers (both in garrison and deployed), the Air Force has become increasingly dependent upon computer based systems. The rapid evolution in computer technology, its corresponding affordability, and demonstrated payoffs in productivity, real-time information flow, and efficiencies have led to rapid implementation of LANs Air Force wide. The objective within AMC is to upgrade each base in a systematic, efficient and economical way.

DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE

BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION (\$ IN THOUSANDS)										A. FY95 DBR
B. DBOF-AMC										D. AIR MOBILITY CMD
C. ADPE AND TELECOM RESOURCES > \$500,000										FY 1996
Element of Cost	FY 1993			FY 1994			FY 1995			FY 1996
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	
ADPE & TELECOM										
CTT TOTS SIMULATOR				1	800	800				
TOTAL						800				

Narrative Justification:

Funding is required to purchase an Air Traffic Control simulator and associated support equipment to support initial and continuation training for AMC Combat Control Teams. Recurring training is required in order to maintain semiannual qualification as an air traffic controller as required by USAF/DOD/Federal/International regulations. Will provide continuity for CCT personnel in other assignments. Provide assurance that all service tactical ATC controllers receive similar training and experience which improves interaction in joint operations. Availability of an in-house simulator will recover TDY costs, increase personnel availability for contingency tasking and notably increase their ability to control high density traffic.

Impact if Not Purchased:

The current production line for the ATC simulator is slated to close this year creating a prohibitive start up cost for any further simulator productions. The current world situation and taskings have CCT personnel spread so thin that they cannot maintain their VFR tower currencies and certification solely using base tower and exercise TDY training alone. CCT units deployed to support joint humanitarian operations will incur an additional long TDY to training locations reducing the overall availability of qualified and ready CCT personnel for any immediate joint operation requirements.

DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE

BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION										A. FY95 DBR
(\$ IN THOUSANDS)										
B. DBOF-AMC										D. AIR MOBILITY CMD
C. ADPE AND TELECOM RESOURCES > \$500,000										FY 1996
Element of Cost	FY 1993			FY 1994			FY 1995			Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	
ADPE & TELECOM										
INTEGRATED EMERGENCY SRVCS COMM SYS				1	798	798				
TOTAL						798				

Narrative Justification:

Funding is required to purchase 2 IESC systems which will provide this command with an initial communications capability for the Global Reach Laydown package. The IESC system provides a compatible radio system for the base recovery, explosive ordnance disposal, disaster preparedness, and fire fighting functions at a deployed location. The system is composed of the Scope Shield Phase II (SSII) radios, repeaters, base stations and vehicle mounts. The system not only provides connectivity with the civil engineering functions, but also with air base ground defense forces, special operations, and other services.

Impact if Not Purchased:

Immediate response and coordination among the emergency services forces at austere and hostile locations will continue to be fractionalized or nonexistent. Personnel will not be able to transmit classified data delaying certain types of render safe procedures, fire response, and chemical agent reconnaissance efforts. Air Force emergency services personnel will not be able to rapidly communicate with Army, Navy, and Marine units to provide coordinated response.

DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE

BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION (\$ IN THOUSANDS)										A. FY95 DBR
B. DBOF-AMC										D. AIR MOBILITY CMD
C. ADPE AND TELECOM RESOURCES > \$500,000										FY 1996
Element of Cost	FY 1993			FY 1994			FY 1995			Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	
ADPE & TELECOM										
VIDEO TELECONF EQUIPMENT				1	1750	1750				
TOTAL						1750				

Narrative Justification:

Funding is required to purchase 35 VTC systems i.e. 3 at HQ AMC, 4 (2ea.) at NAFs, and 28 (2ea.) at bases to offer senior leadership the capability to plan, exchange time sensitive information, provide capability for training, allow real-time crisis management, and rapid relay of information from deployed locations.

Impact if Not Purchased:

A cost avoidance of \$4M will not be realized for TDYs over a five year period. Planning conferences will not take real-world situations into consideration with delays in mobility support in future worldwide operations. Loss of on-sight scene crisis to senior leadership will delay necessary reaction and problem resolution. Loss of C2 communications to deployed forces would be directly impacted and delayed.

DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE

BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION										A. FY95 DBR
(\$ IN THOUSANDS)										
B. DBOF-AMC				C. ADPE AND TELECOM RESOURCES > \$500,000				D. AIR MOBILITY CMD		
				FY 1994				FY 1995		FY 1996
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Total Cost
ADPE & TELECOM										
ALT TACC OIS EQUIPMENT	1		1180			1180				
TOTAL						1180				

Narrative Justification:

The Alternate Tanker Airlift Control Center (TACC) requires a minimum of 67 personal computers/Compartmented Mode Work Stations to access Air Mobility Command (AMC) Deployment Analysis System (ADANS), Global Decision Support System/Multilevel Security System (GDSS/MLS), and a suite of Office Information System (OIS) software supporting the TACC's command and control mission. This requirement also provides funding for the purchase of an OIS file server and a 200 line key system. Lack of an alternate location for the TACC was noted as a major shortfall during TACC's Sep 93 Operational Readiness Inspection (ORI).

Impact if Not Funded:

The TACC is the only focal point for the command and control of all AMC's military, reserve, and Civilian Reserve Air force (CRAF) aircraft. As such, the TACC is a single point of failure -- with no back up or alternate capability. The Alternate TACC would not have the critical voice and data capabilities to function as an alternate site for the TACC.

DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE

BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION										A. FY95 DBR
(\$ IN THOUSANDS)										
B. DBOF-AMC										
C. ADPE AND TELECOM RESOURCES > \$500,000										D. AIR MOBILITY CMD
FY 1995										FY 1996
FY 1994										
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	
ADPE &										
TELECOM										
BASE C4										
INFRASTRUCTURE										
TOTAL										

Narrative Justification:

Provide fiber backbone, interface and testing equipment at each AMC base. FY94 funds will cover McChord AFB, WA, Travis AFB, CA and (possibly) Charleston AFB, SC.

Impact if Not Funded

Failure to fully fund the Base C4 infrastructure will SERIOUSLY AFFECT the C2IPS, BIDDs and other programs at McChord and Travis. Local Area Networks (LANs) presently utilize copper pair cable for intra-communications. At this time, the Inter-base/Inter-LAN communications is severely limited due to being routed over copper cable. This cable cannot support high speed data or video traffic - thus limiting Intra-Inter base communications between LANs.

DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE

BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION											A. FY95 DBR	
(\$ IN THOUSANDS)												
B. DBOF-AMC				C. ADPE AND TELECOM RESOURCES > \$500,000							D. AIR MOBILITY CMD	
Element of Cost	FY 1993			FY 1994			FY 1995			FY 1996		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
ADPE &												
TELECOM												
OBJECTIVE WING												
COMMAND POST				1	996	996						
TOTAL						996						

Narrative Justification:

Replaces failing wing command center consoles and supports/standardizes AMC wing and en-route command and control centers. Program has been completed at some AMC bases with contract award pending at others.

Impact if Not Funded:

Failure to fully fund this program will force bases to continue "slovening" individual fixes in their command posts; restrict full implementation of the BRAC effort (by not allowing required consolidation where required); and possibly initiating contract disputes where the contract is pending award action.

DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE

BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION										A. FY95 DBR
(\$ IN THOUSANDS)										
B. DBOF-AMC										
C. ADPE AND TELECOM RESOURCES > \$15,000										D. AIR MOBILITY CMD
Element of Cost	FY 1993			FY 1994			FY 1995			FY 1996
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Unit Cost
ADPE &										
TELECOM										
GLOBAL C2 ARCH										
TAC C2 PROGRAM				1	113	113				
CAASS COMP EQUIP				1	90	90				
COMP W/ CD-ROM				1	289	289				
CTAPS WRKSTATION				1	473	473				
SUN SYS				1	150	150				
UPGRADE COMP				1	132	132				
INTRUSION DET SYS				1	250	250				
ALY SYSTEMS				1	70	70				
ENGINEERING C2 LINK				1	167	167				
ESI CONSOLE				1	70	70				
BASE LVL REQUIRE						2285				
TOTAL						4089				

Narrative Justification:

This category supports procurement of information equipment with a total project cost under \$.5M. Supported areas include office automation and the development, upgrade or enhancement of information systems required to maintain, transfer and manipulate data critical to depot maintenance operations.

**DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE**

**TRANSPORTATION - AIR FORCE
SUMMARY OF PRICE, PROGRAM AND OTHER CHANGES**

(Dollars In Millions)

	Cost Of Opns FY 1993	Cost Of Opns FY 1994	Price Growth	Program & Other Changes	Cost Of Opns FY 1995
Military Personnel Compensation	1,173.169	1,048.994	0.000	(1,048.994)	0.000
Civilian Personnel Compensation	338.119	313.936	0.000	(313.936)	0.000
Inventory Procurement Expenses	0.000	0.000	0.000	0.000	0.000
Travel	45.138	54.591	1.529	(56.120)	0.000
Materiel, Equipment & Supplies (Non-FUND)	28.658	34.888	0.977	(35.865)	0.000
Materiel, Eqmt & Supplies (From FUND)	126.867	447.387	7.680	(455.067)	0.000
Purchases From Other Fund Businesses	0.000	137.900	0.000	(137.900)	0.000
Transportation (From FUND)	0.000	0.000	0.000	0.000	0.000
Transportation (From Non-FUND)	22.280	13.587	0.380	(13.967)	0.000
Depreciation/Amortization	179.890	211.813	5.931	(217.744)	0.000
Other Purchases	396.186	380.059	9.850	(389.909)	0.000
 Total Operating Budget (Includes Reimbursements)	 2,310.307	 2,643.155	 26.346	 (2,669.501)	 0.000

DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE

TRANSPORTATION - AIR FORCE
CHANGES IN OPERATIONS
(Dollars in Millions)

	EXPENSES

1. FY 1993 Actual Costs	2,310.3
2. Pricing Adjustments:	93.8
3. Productivity Initiatives and Other Efficiencies:	0.0
4. Workload Changes:	0.0
5. Programmatic Changes:	239.0
6. FY 1994 Current Estimate	2,643.2
7. Pricing Adjustments:	0.0
8. Productivity Initiatives and Other Efficiencies:	0.0
9. Workload Changes:	0.0
10. Other Changes:	0.0
11. FY 1995 Estimate	0.0

**DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE**

BASE SUPPORT

The Air Force Laundry and Dry Cleaning (L&DC) Services activity group transitioned from the Air Force Industrial Fund to the Defense Business Operations Fund on 1 Oct 1991. The mission of L&DC is to provide economical and quality laundry, dry cleaning and other textile services to government, DoD and other authorized activities and individuals worldwide using government-owned facilities.

BUDGET HIGHLIGHTS

During FY 1993, civilian personnel costs increased due to pay raises. There were additional cost increases in FY 1993 due to equipment damage during lightning storms at Eglin Air Force Base, Florida.

In accordance with the DBOF Improvement Plan approved by the Deputy Secretary of Defense in Sep 1993, L&DC is removed from DBOF in FY 1995. The rationale for removing Laundry & Drycleaning from DBOF is that it does not meet the criteria for a DBOF activity outlined in the DBOF Improvement Plan.

PROGRAM HIGHLIGHTS

Primary customers are Air Force, Army, Navy and Marine O&M hospital activities. Other authorized customers include non-appropriated fund activities, DoD schools, U.S. Embassies and retail customers. The retail customers are primarily military members and their families whose workload is processed on an individual piece-rate.

Air Force Laundry and Dry Cleaning facilities:

Activity	Location
Eglin Air Force Base	Florida
Incirlik Air Base	Turkey
Lajes Air Base	Azores
Loring Air Force Base	Maine
Kadena Air Base	Japan

The facility at Loring AFB, Maine, will close Sep 1994.

DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE

BASE SUPPORT
REVENUE AND EXPENSES
(Dollars in Millions)

	FY 1993 -----	FY 1994 -----	FY 1995 -----
Revenue:			
Gross Sales:			
Operations	5.8	6.2	0.0
Capital Surcharge	0.0	0.0	0.0
Depreciation except Maj Const	0.5	0.6	0.0
Major Construction Depreciation	0.0	0.0	0.0
Total Gross Sales	6.4	6.8	0.0
Other Income	0.0	0.0	0.0
Total Income	6.4	6.8	0.0
Expenses:			
Cost of Materiel Sold from Inventory	0.0	0.0	0.0
Negotiated Purchases from Customers	0.0	0.0	0.0
Transportation	0.0	0.0	0.0
Salaries and Wages:			
Military Personnel	0.0	0.0	0.0
Civilian Personnel	2.9	2.9	0.0
Materials, Supplies and			
Parts used in Operations	0.7	0.7	0.0
Facility Repair Charge	0.1	0.1	0.0
Depreciation - Capital	0.6	0.6	0.0
Contracted Engineering Services	0.0	0.0	0.0
Lease Costs	0.0	0.1	0.0
Purchased Utilities	0.3	0.3	0.0
Purchased Communications	0.0	0.0	0.0
Equipment Maintenance	0.1	0.1	0.0
Fuel	0.2	0.2	0.0
Other Expenses	2.1	1.6	0.0
Total Expenses	6.9	6.4	0.0
Work in Process Adjusted	0.0	0.0	0.0
Comp Work for Activity Reten Adj	0.0	0.0	0.0
Cost of Goods Sold	6.9	6.4	0.0
Operating Result	(0.5)	0.4	0.0
Less Capital Surchg Reservation	0.0	0.0	0.0
Plus Appropriations Affcting NOR/AOR	0.0	0.0	0.0
Other Changes Affecting NOR/AOR	0.0	0.0	0.0
Inventory Gains and Losses	0.0	0.0	0.0
Net Operating Result	(0.5)	0.4	0.0
Transfers Not Affecting NOR/AOR	0.0	0.0	0.0
Prior Year and Other Adjustments	0.0	0.0	0.0
Other Inventory Adjustments	0.0	0.0	0.0
WRM Appropriations	0.0	0.0	0.0
Net Result	(0.5)	0.4	0.0

DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE

BASE SUPPORT
SOURCE OF REVENUE
(Dollars in Millions)

	FY 1993	FY 1994	FY 1995
	-----	-----	-----
1. Orders from DoD Components:			
Army	0.1	0.1	0.0
Navy	0.1	0.3	0.0
Air Force	4.2	3.4	0.0
Marine Corps	1.0	1.4	0.0
Other	0.0	0.0	0.0
2. Orders from other DBOF Business Areas	0.0	0.0	0.0
3. Total DoD	5.4	5.2	0.0
4. Other Orders:			
Other Federal Agencies	0.0	1.6	0.0
Trust Fund	0.0	0.0	0.0
Non Federal Agencies	1.0	0.0	0.0
5. Total Gross Orders	6.4	6.8	0.0
6. Credits and Allowances:			
Discounts	0.0	0.0	0.0
Price Reductions	0.0	0.0	0.0
7. Change to Backlog	0.0	0.0	0.0
8 Total Gross Sales	6.4	6.8	0.0

DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE

BASE SUPPORT
CAPITAL BUDGET
(Dollars in Millions)

	FY 1993 -----	FY 1994 -----	FY 1995 -----
Equipment (Except ADP & TELCOM)	0.1	0.3	0.0
Minor Construction	0.1	0.0	0.0
ADPE & TELCOM	0.0	0.3	0.0
Software	0.0	0.3	0.0
Major Maint & Repair	0.0		
Total	0.2	0.9	0.0

BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION
(\$ in Thousands)

A. Budget Submission

B. Component/Business Area/Date

LAUNDRY AND DRYCLEANING BUSINESS AREA

C. Line No. & Item Description

D. Activity Identification

FY 94

FY 95

FY 96

Element of Cost

Quantity

Unit cost

Total Cost

Quantity

Unit cost

Total Cost

Quantity

Unit cost

Total Cost

Quantity

Unit cost

Total Cost

Equipment Replace-

ment

DryCleaning Machine

Carpet Cleaning

Machine

Scooters

2

.042

.084

1

.042

.042

3

.016

.048

Narrative Justification:

2 Dry Cleaning Machines, 1 Carpet Cleaning Machine and 3 Scooters for Kadena.
Dry Cleaning machines are required to replace two machines that are approximately 30 years old. The machines are impossible to maintain because spare parts are not available to repair machines. (\$84,000)

Van powered carpet cleaning machine is required to replace a current machine that has been fully depreciated and is currently requiring a lot of maintenance to keep it operational. (\$42,000)

3 Scooters are required to replace other scooters that have been fully depreciated and are requiring a lot of maintenance to keep them running. (\$48,000)

BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION (\$ in Thousands)										A. Budget Suballocation	
B. Component/Business Area/Date LAUNDRY AND DRYCLEANING BUSINESS AREA		C. Line No. & Item Description			D. Activity Identification						
		FY 94		FY 95		FY 96		FY 97			
Element of Cost	Quantity	Unit cost	Total Cost	Quantity	Unit cost	Total Cost	Quantity	Unit cost	Total Cost	Quantity	Total Cost
New Mission											
Conveyor for Dryer	1	.035	.035								
Dry Cleaning Machine	1	.060	.060								
400-450lb Dryer	1	.025	.025								

Narrative Justification:

Conveyor for Dryer and Dry Cleaning Machine for Eglin.
Conveyor for dryers will allow for more efficient use of our dryers and generate a 15% increase in production. The savings on supplies and labor would enable the conveyor to pay for itself in one year. (\$35,000)

Dry cleaning machine is needed to handle the express volume we now have. We are working overtime to process billeting spreads and need this machine to eliminate overtime and handle increased dry cleaning volume. (\$60,000)

400-450 lb Dryer for Incirlik (\$25,000)
Dryer currently used has reached its useful life expectancy; therefore, not cost effective to maintain. Need new dryer to maintain current plant production.

BUSINESS AREA CAPITAL PURCHASES JUSTIFICATION
(\$ in Thousands)

B. Component/Business Area/Date LAUNDRY AND DRYCLEANING BUSINESS AREA	C. Line No. & Item Description			D. Activity Identification			A. Budget Submission		
	FY 94			FY 95			FY 96		
Element of Cost	FY 94		Quantity	FY 95		Quantity	FY 96		Total Cost
	Unit cost	Total Cost		Unit cost	Total Cost		Unit cost	Total Cost	
ADPE & Telecon Resources			40		.350				

Narrative Justification:

Kadena & Eglin

In compliance with numerous audits, the Air Force laundries must replace outdated, manual accounting/MIS systems with current generation hardware and software. The current manual systems have proven to be inadequate/inaccurate and led to incorrect management and oversight decisions. These items would enable the acquisition/development of commercial off the shelf hardware and software systems to provide the necessary controls and operational information. Included is the estimated cost of prototyping a system at Eglin AFB. The hardware includes terminals, PC's servers, modems, POS equipment, accounting and operational software and all training. Kadena is much larger in volume and scope, thus requiring more hardware and more sophisticated software not needed by any other laundry.

**DEFENSE BUSINESS OPERATIONS FUND - AIR FORCE
FY 1995 BUDGET ESTIMATE**

**BASE SUPPORT
SUMMARY OF PRICE, PROGRAM AND OTHER CHANGES
(Dollars in Millions)**

	Cost Of Opns FY 1993	Cost Of Opns FY 1994	Price Growth	Program & Other Changes	Cost Of Opns FY 1995
Military Personnel Compensation	0.000	0.000	0.000	0.000	0.000
Civilian Personnel Compensation	2.908	2.858	6.000	(8.858)	0.000
Inventory Procurement Expenses	0.000	0.000	0.000	0.000	0.000
Travel	0.059	0.067	0.000	(0.067)	0.000
Materiel, Equipment & Supplies (Non-FUND)	0.500	0.518	0.000	(0.518)	0.000
Materiel, Eqmt & Supplies (From FUND)	0.372	0.385	0.000	(0.385)	0.000
Purchases From Other Fund Businesses	0.000	0.000	0.000	0.000	0.000
Transportation (From FUND)	0.000	0.000	0.000	0.000	0.000
Transportation (From Non-FUND)	0.000	0.000	0.000	0.000	0.000
Depreciation/Amortization	0.556	0.604	0.000	(0.604)	0.000
Other Purchases	2.502	2.003	0.000	(2.003)	0.000
 Total Operating Budget (Includes Reimbursements)	 6.897	 6.435	 6.000	 12.435	 0.000